SOFTWARE TERMS AND CONDITIONS

PREPARED FOR
INTERNATIONAL BUSINESS MACHINES CORPORATION

JULY, 1984

INPUT

Substantially the same exhibits were completed for inclusion in the report. In this way the reader can easily correlate current data with previously reported data. A preliminary report was presented to IBM on July 3, 1984. Several issues were raised by IBM, then resolved by INPUT and the results of these resolutions are contained in this final report.

C. REPORT ORGANIZATION

This report is organized so that each exhibit contains the findings associated with a different issue pertaining to software terms and conditions relevant to the individual companies that were interviewed.

In addition, this report contains an Executive Summary developed in a presen-tation format. This chapter contains the key results of the study in abbreviated form.

The questionnaire used in the study is contained in the Appendix. Copies of the completed questionnaires have been provided to IBM under separate cover.

D. KEY TO EXHIBITS

N	-	Negative answer to question.
Y	-	Positive answer to question.
X	-	Option is available.
"-"	-	Option is not available/answer not provided.
DK	-	Don't know - interviewee could not (would not) provide data.
N/A	-	Not applicable.

II EXECUTIVE SUMMARY

II EXECUTIVE SUMMARY

This section contains a summary of the detailed in formation that comprises the remainder of the report. The subsections in this summary correspond to the subsections of the basic report.

B. VARIATIONS IN TERMS AND CONDITIONS

- Some hardware firms still bundle software togther with hardware.
  - Three of five mainframe companies.
  - Three of six minicomputer companies.
  - Most bundling involves system software, not applications software.
- All but one hardware vendor (Amdahl) mentioned separate contracts for microcomputer software.
- Micro-computer software involves terms and conditions different from other software. This report focused on mainframe and mini-computer software.

C. LICENSING

LICENSE TYPES

- Wide variety of license types offered by both hardware and software vendors.

	HARDWARE COMPANIES	SOFTWARE COMPANIES
Leases	36%	80%
Rental	55%	53%
Usage	0%	33%
Paid-up	27%	73%
One-Time	55%	93%

- The proportion of sales (by contract) that are priced on a one-time charge basis, varies widely.
  - Hardware companies: 10% to 100%.
  - Software companies: 0% to 100%.

C. LICENSING (continued)

CONDITIONS ON PAID-UP AND ONE-TIME CHARGE

- Vendor almost always retains rights and prevents customer resale.
  - Only exception is Gould will allow resale.
- Vendors do not buy back code - no exceptions.
- Trend is towards providing credits to encourage upgrades.
  - Hardware vendors.
  - Software vendors.

INPUT

C. LICENSING (continued)

PURCHASE CREDITS

- Software firms are as likely to give credits (40%) as are hardware companies (40%).
- Minimum credit accruable shows great variation.
  - Minimum - 33%.
  - Maximum - 100%.

INPUT

C. LICENSING (continued)

DISCOUNTS

- Discounts usually for volume and multi-site purchases.
- Other forms of discount rare.
- Discount arrangements vary and are often negotiable.
  - Second user discount of 20-50% common.
- Sensitive item for several vendors. We suspect that some respondees may have been purposefully vague.

INPUT

C. LICENSING (continued)

PRICE PROTECTION

- Varies greatly by vendor and by license type.
- Trend is away from price protection.
  - Hardware vendors
  - Software vendors

INPUT

C. LICENSING (continued)

LICENSING FOCUS

LICENSED TO:	HARDWARE COMPANIES	SOFTWARE COMPANIES
CPU Serial Number	64%	27%
System Type	18%	7%
User Site	18%	67%
User Firm	27%	27%

- Enforcement now seen as a significant business problem.
- Contract terms often monitored through field support personnel.
- Several respondents commented on being involved in contract litigation with users.

D. UPGRADES/ENHANCEMENTS

	HARDWARE COMPANIES	SOFTWARE COMPANIES
No Charge	45%	33%
Additional Charge	36%	13%
In Maintenance Fee	64%	87%
New Product	18%	13%

INPUT

E. SOURCE CODE

- Hardware companies are more likely to deliver source code (82%) than software companies (53%).
  - Extra fee often charged by hardware companies.
  - Usually in machine readable form.
- Most firms have some form of software protection.
  - Hardware firms always copyright (100%).
  - Software firms both copyright (87%) and trade secret (73%).
- Attitides on enforcement vary widely.
  - Most see enforcement as difficult.
  - Enforcement becoming more prevalent.

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F. REDISTRIBUTION

REDISTRIBUTION (I)

- Over half of hardware vendors engage in some form of software redistribution.
- About one-quarter of the software vendors redistribute.
- Added value is usually required by a hardware company.
- Only one software respondent reported enhancing hardware vendor software to run on another vendor's hardware.

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F. REDISTRIBUTION (continued)

REDISTRIBUTION (2)

- End user license with either hardware vendor or redistributor.
  - Hardware vendors divided on practice.
  - Two Software respondents report that licenses are between users and themselves.
- A majority of vendors have different terms and conditions with service vendors; examples:
  - Won't sell to some, or all, service vendors.
  - Cost or usage pricing/royalties.
  - Different discounts.

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G. INSTALLATION

- Installation terms vary, no pattern.
- Acceptance period varies - 30-90 days most common.
- Software companies are somewhat more likely to have their warranty depend on vendor installation (47%) than are hardware companies (40%).
- Fewer software vendors make modifications to software than do hardware companies.
  - Common to try to avoid making modifications.
  - However, some software companies view modifications as a revenue source.

H. MAINTENANCE

SEPARATE MAINTENANCE FEES

TYPE OF SOFTWARE LICENSE	HARDWARE COMPANIES	SOFTWARE COMPANIES
Lease	50%	83%
Continuous Payment	50%	72%
Usage Pricing	N/A	100%
Paid-Up	33%	80%
One Time Charge	64%	79%

NOTE:

(1) Percentages include only those companies which have that type of software license.

(2) If in fee, but optional, counted as a separate maintenance agreement.

H. MAINTENANCE (continued)

MAINTENANCE I

- Annual maintenance fee of 10-12% of purchase price is common for software vendors.

  - Varies for other vendors.

- Maintenance typically includes both fixes and enhancements for software companies; also common for hardware companies.

  - Point at which an enhancement becomes a new product can depend on :
    - Size of enhancement.
    - Degree of change in functionality.

- Minimum maintenance term usually 12 months for software companies. Hardware companies show greater variation.

- Hardware maintenance is not a prerequisite for software maintenance by hardware companies.

H. MAINTENANCE (continued)

MAINTENANCE (2)

- Maintenance for old releases varies from "none" to "forever."
- There are few response time promises by vendors.
- Trouble report turnaround varies.
  - "Immediate" most commonly promised.
  - Actual practice will show variations.

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H. MAINTENANCE (continued)

FIX NOTIFICATION

TYPE OF NOTIFICATION	HARDWARE COMPANIES	SOFTWARE COMPANIES
On-Site	64%	47%
Telephone	82%	87%
Letter	64%	60%
Newsletter	73%	60%
Maintenance Release	91%	73%
All Users	91%	100%
Applied By:		
Vendor Only	9%	7%
Customer Only	9%	60%
Both	73%	33%

H. MAINTENANCE (continued)

MAINTENANCE (3)

- Hardware companies are about as likely to give a price discount for multi-license maintenance as software companies.

- Central maintenance arrangements are common among software companies; more so among hardware companies.

- On-site maintenance pricing ranges from about $300/day to $2000/day.

I. MARKETING

- All hardware vendors surveyed reported that their salesforces sold both hardware and software.

INPUT

J. TRENDS

- Respondees did not tend to forcast software price increases.
- Software pricing factors varied by company - no discernable pattern was evident.
- Cost factors varied. However, Research and Development was predoiminant among software companies (47%).
- Hardware vendors are becoming more service oriented in relation to software products.
- No pattern evolving for licensing methods.

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III SURVEY RESULTS

III SURVEY RESULTS

A. CORRELATION WITH PREVIOUS STUDY

- This report is an update and extension of a similar custom study done by INPUT for IBM in May, 1982.

- This objective of this study, as before, was to determine the current status of terms and conditions associated with the marketing of software products in the United States marketplace. The areas covered include:

  - Licensing.
  - Upgrades/Enhancements.
  - Source Code.
  - Redistribution.
  - Installation.
  - Maintenance.
  - Marketing.
  - Trends.

COMPANIES INTERVIEWED

- Mainframe Companies

  Control Data Corp.
  Honeywell
  Burroughs
  Amdahl
  Univac

- Minicomputer Companies

  Perkin-Elmer
  Gould Computer
  DEC
  Hewlett-Packard
  Data General
  Prime Computer

- Software Companies

  Informatics
  Computer Associates
  SDC
  Boole & Babbage
  Cincom
  Nixdorf
  McCormack & Dodge
  ADR
  Mathematica
  Software AG
  MRI Systems
  Pansophic
  D.M.S.I
  MSA
  Cullinane

INTERVIEWEES

• Sales & Marketing	7
• Product Management	7
• Legal/Administrative	10
• Other	4
	28

B. VARIATIONS IN TERMS AND CONDITIONS

- Some hardware firms still bundle software together with hardware.
  - Three of five mainframe companies.
  - Three of six minicomputer companies.
  - Most bundling involves system software, not applications software.
- All but one hardware vendor (Amdahl) mentioned separate contracts for microcomputer software.
- Micro-computer software involves terms and conditions different from other software. This report focuses on mainframe and mini-computer software.

PRODUCTS PROFILE

	PRODUCTS OFFERED					TERMS & CONDITIONS		LICENSE	
HARDWARE VENDOR	ALL	OPERATING SYSTEMS	SYSTEMS SUPPORT	APPLICATION SUPPORT	APPLICATION PACKAGES	ALL SAME?	DIFFERENCES	SOFTWARE SEPARATE	IN HARDWARE
MAINFRAMES:									
C.D.C.	-	X	X	-	-	Y	-	X	-
Honeywell	X	X	X	X	X	Y	-	X	X
Univac	X	X	X	X	X	Y	-	X	X
Amdahl	-	X	X	X	-	N	All Sold Separate, But Some Bundled w/ Hdw. For Support	X	-
Burroughs	X	X	X	X	X	Y	-	X	Operating System Only

PRODUCTS PROFILE

HARDWARE VENDOR	PRODUCTS OFFERED: ALL	OPERATING SYSTEMS	SYSTEMS SUPPORT	APPLICATION SUPPORT	APPLICATION PACKAGES	TERMS & CONDITIONS: ALL SAME?	DIFFERENCES	LICENSE: SOFTWARE SEPARATE	IN HARDWARE
MINI COMPUTERS:									
Perkin-Elmer	-	-	-	-	X	Y	-	X	X
Gould	X	X	X	X	X	Y	-	X	X
DEC	X	X	X	X	X	Y	-	X	Only Operating Systems
Hewlett-Packard	X	X	X	X	X	Y	-	X	X
Data General	X	X	X	X	X	Y	Reevaluating T&C for Application Pack	X	X
Prime Computer	X	X	X	X	X	Y	-	X	Only Operating Systems

PRODUCTS PROFILE

	PRODUCTS OFFERED					TERMS & CONDITIONS		LICENSE	
SOFTWARE VENDOR	ALL	OPERATING SYSTEMS	SYSTEMS SUPPORT	APPLICATION SUPPORT	APPLICATION PACKAGES	ALL SAME?	DIFFERENCES	SOFTWARE SEPARATE	IN HARDWARE
SOFTWARE:									
Informatics	-	-	-	X	-	Y		X	X
Computer Associates	X	X	X	X	X	Y		X	-
SDC	-	-	-	X	X	Y		X	-
Boole & Babbage	-	-	X	-	-	Y		X	-
Cincom	-	-	-	X	X	Y		X	-
Nixdorf	X	X	X	X	X	Y		X	-
McCormack & Dodge	-	-	-	X	X	Y		X	-
ADR	-	-	X	X	X	Y		X	-
Mathematica	-	-	-	X	X	N	DBMS - 25 yr. lease Others-Perpetual license	X	-
Software AG	-	-	X	X	-	Y		X	-

PRODUCTS PROFILE

	PRODUCTS OFFERED					TERMS & CONDITIONS		LICENSE	
SOFTWARE VENDOR	ALL	OPERATING SYSTEMS	SYSTEMS SUPPORT	APPLICATION SUPPORT	APPLICATION PACKAGES	ALL SAME?	DIFFERENCES	SOFTWARE SEPARATE	IN HARDWARE
MRI Systems	-	-	X	-	X	Y		X	-
Pansophic	-	-	X	-	-	Y		X	-
DMSI	-	-	-	-	X	Y		X	-
MSA	-	-	-	-	X	Y		X	-
Cullinet	-	X	-	X	-	Y		X	-

C. LICENSING

LICENSE TYPES

- Wide variety of license types offered by both hardware and software vendors.

	HARDWARE COMPANIES	SOFTWARE COMPANIES
Leases	36%	80%
Rental	55%	53%
Usage	0%	33%
Paid-Up	27%	73%
One-Time	55%	93%

- The proportion of sales (by contract) that are priced on a one-time charge basis, varies widely.
  - Hardware companies: 10% to 100%
  - Software companies: 0% to 100%

LICENSE TYPES

VENDOR	LEASE PERIOD (YEARS)	RENTAL: PAYMENT TYPE (MO., YR.)	RENTAL: INITIAL FEE	RENTAL: MULTI PLIER	RENTAL: PAYMENT FOR CHANGES	USAGE	PAID-UP	ONE-TIME CHARGE OFFERED	ONE-TIME CHARGE (PERCENT OF SALES)	OTHER
MAINFRAMES:										
C.D.C.	N	N	-	-	-	N	N	Y	100%	N
Honeywell	1	Both (Optional)	N	-	-	N	Special Arrange-ments	Y	-	N
Univac	1-5	Month	N	-	No Charge	N	N	Y	10%	N
Amdahl	N	Both (Optional)	N	-	-	N	N	Y	-	N
Burroughs	1-5	Month	N	-	No Charge	N	Y	Y	DK	N
MINI COMPUTERS:										
Perkin-Elmer	N	N	-	-	No Charge	N	N	Y	100%	N
Gould	N	N	-	-	-	N	Y	Y	DK	N
DEC	N	Month	N	12	DK	N	N	Y	99%	*

* Loan Agreement - Free Trial Use

LICENSE TYPES

VENDOR	LEASE PERIOD (YEARS)	RENTAL				USAGE	PAID-UP	ONE-TIME CHARGE OFFERED	ONE-TIME CHARGE (PERCENT OF SALES)	OTHER
		PAYMENT TYPE (MO., YR.)	INITIAL FEE	MULTI PLIER	PAYMENT FOR CHANGES					
Hewlett-Packard	N	N	-	-	-	N	N	Y	-	*
Data General	N	N	-	-	-	N	N	Y	100%	N
Prime	1-5	Month	Y	DK	No Charge	N	Y	Y	80%	N

* Unlimited Right to Copy Purchase - System Support Products Only

LICENSE TYPES

VENDOR	LEASE PERIOD (YEARS)	RENTAL: PAYMENT TYPE (MO., YR.)	RENTAL: INITIAL FEE	RENTAL: MULTI PLIER	RENTAL: PAYMENT FOR CHANGES	USAGE	PAID-UP	ONE-TIME CHARGE OFFERED	ONE-TIME CHARGE (PERCENT OF SALES)	OTHER
Informatics	1-4	Month, yr. quarterly	N	-	-	N	Y	Y	95%	N
Computer Associates	1-3	Month-year	N	-	N	N	Y	Y	DK	N
SDC	3 + 5	N	-	-	-	No. of Trans-actions	Y	Y	50%	N
Boole & Babbage	N	N	-	-	-	N	N	Y	100%	N
Cincom	1	Month	N	-	-	No. of term. Type op. sys proces. size	Y-25 Yr.	Y	70%	N
Nixdorf	1-5	Month	N	-	No Charge	N	Y	Y	25%	N
McCormack & Dodge	3	N	-	-	-	N	Y	Y	98%	N
ADR	3+5	Month 3 Mo. Min.	N	-	No Charge	N	Y	Y	DK	N
Mathematica	25-DBMS only	Month	N	-	No Charge	Proces. size	Y	Y	95%	N

LICENSE TYPES

VENDOR	LEASE PERIOD (YEARS)	RENTAL				USAGE	PAID-UP	ONE-TIME CHARGE OFFERED	ONE-TIME CHARGE (PERCENT OF SALES)	OTHER
		PAYMENT TYPE (MO., YR.)	INITIAL FEE	MULTI PLIER	PAYMENT FOR CHANGES					
Software AG	1-5	N	-	-	-	N	Y	Y	75%	N
MRI Systems	1-3	N	-	-	-	N	Y	Y	95%	N
Pansophic	1-5	Month	N	-	Reduced charge	Y	Y	Y	75%	N
DMSI	N	N	-	-	-	N	N	Y	100%	N
MSA	N	N	-	-	-	Op sys type	N	Y	100%	N
Cullinet	1-5	Month	N	-	No charge	N	N	N	0%	N

C. LICENSING (continued)

CONDITIONS ON PAID-UP AND ONE-TIME CHARGE

- Vendor almost always retains rights and prevents customer resale.
  - One exception - a single hardware vendor will allow resale.
- Vendors do not buy back code - no exceptions.
- Trend is towards providing credits to encourage upgrades.
  - Hardware vendors.
  - Software vendors.

PAID-UP AND ONE-TIME CHARGE CONDITIONS

VENDOR	RETAINS RIGHTS'	CUSTOMER RESALE	RESTRICTIONS	VENDOR BUYS BACK	UPGRADE INCENTIVE
MAINFRAMES:					
C.D.C.	Vendor	N	-	N	100% credit
Honeywell	Vendor	N	-	N	Special Cases
Univac	Vendor	N	-	N	Credit
Amdahl	Vendor	N	-	-	-
Burroughs	Vendor	N	-	N	-
MINI COMPUTERS:					
Perkin-Elmer	Vendor	Y (Permission to Transfer)	None	N	Lower Charge
Gould	OEMS-Customer; End-User - Vendor	N	None	N	Credit
DEC	Vendor	Y	DK	N/A	Credit-Varies
Hewlett-Packard	Vendor	DK	-	-	Service Contract

PAID-UP AND ONE-TIME CHARGE CONDITIONS

VENDOR	RETAINS RIGHTS'	CUSTOMER RESALE	RESTRICTIONS	VENDOR BUYS BACK	UPGRADE INCENTIVE
Data General	Vendor	N	-	N	-
Prime	Vendor	N	-	N	-

PAID-UP AND ONE-TIME CHARGE CONDITIONS

VENDOR	RETAINS RIGHTS'	CUSTOMER RESALE	RESTRICTIONS	VENDOR BUYS BACK	UPGRADE INCENTIVE
Software:					
Informatics	Vendor	N	-	N	Support Enhancements
Computer Associates	Vendor*	N	-	N	-
SDC	Vendor	N	-	N	-
Boole & Babbage	Vendor	N	-	N	Credit-Varies
Cincom	Vendor	N	-	N	Credit-Varies
Nixdorf	Vendor	N	-	N	-
McCormack & Dodge	Vendor	N	-	N	-
ADR	Vendor	Y**	Assignee must adhere to original contract terms	N	Credit
Mathematica	Vendor	N	-	N	Credit-Varies
Software AG	Vendor	N	-	N	Credit-Varies
MRI Systems	Vendor	N	-	N	Credit
Pansophic	Vendor	N	-	N	-
DMSI	Vendor ***	N	-	N	Credit-Varies

* Application only - Customer ** Only with permission to reassign *** Single site only-Custome

PAID-UP AND ONE-TIME CHARGE CONDITIONS

VENDOR	RETAINS RIGHTS'	CUSTOMER RESALE	RESTRICTIONS	VENDOR BUYS BACK	'UPGRADE INCENTIVE
MSA	Vendor	N	-	N	-
Cullinet	Vendor	N	-	N	-

PURCHASE CREDITS

VENDOR	N/A	NONE	YES	PERCENT OF PAYMENT	MAXIMUM PERCENT ACCRUABLE	MAXIMUM MONTHS ACCRUABLE
MAINFRAMES:						
C.D.C.	-	-	X	-	100%	-
Honeywell	-	X	-	-	-	-
Univac	-	-	X	-	-	Varies
Amdahl	X	-	-	-	-	-
Burroughs	-	X	-	-	-	-
MINI COMPUTERS:						
Perkin-Elmer	-	X	-	-	-	-
Gould	X	-	-	-	-	-
DEC	-	X	-	-	-	-
Hewlett-Packard	-	-	-	-	-	-
Data General	-	X	-	-	-	-
Prime	-	-	X	DK	DK	DK

PURCHASE CREDITS

VENDOR	N/A	NONE	YES	PERCENT OF PAYMENT	MAXIMUM PERCENT ACCRUABLE	MAXIMUM MONTHS ACCRUABLE
SOFTWARE:						
Informatics	-	-	X	1st year 100%	33	12
Computer Associates	-	X	-	-	-	-
SDC	-	-	X	Varies	-	-
Boole & Babbage	X	-	-	-	-	-
Cincom	X	-	-	-	-	-
Nixdorf	-	X	-	-	-	-
McCormack & Dodge	*	-	-	-	-	-
ADR	-	-	X	-	50	6
Mathematica	-	-	X	-	-	2 Months
Software AG	-	-	X	75%	-	-
MRI Systems	-	X	-	-	-	-
Pansophic	-	X	-	-	-	-

* Proprietary

PURCHASE CREDITS

VENDOR	N/A	NONE	YES	PERCENT OF PAYMENT	MAXIMUM PERCENT ACCRUABLE	MAXIMUM MONTHS ACCRUABLE
DMSI	X	-	-	-	-	-
MSA	X	-	-	-	-	-
Cullinet	-	-	X	Negotiable	Negotiable	Negotiable

C. LICENSING (continued)

DISCOUNTS

- Discounts usually for volume and multi-site purchases.
- Other forms of discount rare.
- Discount arrangements vary and are often negotiable.
  - Second user discount of 20-50% common.
- Sensitive item for several vendors. We suspect that some respondees may have been purposefully vague.

INPUT

DISCOUNTS AND FINANCIAL INCENTIVES

VENDOR	VOLUME	MULTI-SYSTEM	MULTI-SITE	PRE-PAYMENT	OTHER	USER COPIES	DISCOUNT SCHEDULE SUMMARY
MAINFRAMES:							
C.D.C.	Y	N	N	N	N	N	Volume-5% decrements per 25 copies
Honeywell	Y	Y	Y	N	N	Y	Varies with family and number of systems
Univac	Y	Y	Y	N	N	Y	40%-60% generally available under Multiple System Licence Plan
Amdahl	N	Y	N	N	N	Y	Support restrictions
Burroughs	N	N	N	N	N	N	-
MINI COMPUTERS:							
Perkin-Elmer	Y	Y	N	N	N	N	2nd & subsequent at same facility suject to lower royalties
Gould	Y	Y	Y	N	N	Y	Negotiable
DEC	Y	Y	N	N	N	Y	Negotiable
Hewlett-Packard	Y, except op. sys.	Y, exc. op. sys.	N	N	Y	Y	50% - 2nd and subsequent

DISCOUNTS AND FINANCIAL INCENTIVES

VENDOR	VOLUME	MULTI-SYSTEM	MULTI-SITE	PRE-PAYMENT	OTHER	USER COPIES	DISCOUNT SCHEDULE SUMMARY
Data General	Y	Y	N	N	N	N	Varies by product
Prime	Y	Y	Y	DK	N	N	Varies by product

DISCOUNTS AND FINANCIAL INCENTIVES

VENDOR	VOLUME	MULTI-SYSTEM	MULTI-SITE	PRE-PAYMENT	OTHER	USER COPIES	DISCOUNT SCHEDULE SUMMARY
SOFTWARE:							
Informatics	Y	Y	Y	N	Y	N	15% - 3 or more; Negotiable
Computer Associates	Y	Y	Y	N	N	N	DK
SDC	Y	Y	Y	N	N	N	Varies
Boole & Babbage	Y	Y	Y	N	N	N	25% - 2nd,3rd; 50% - 4th +
Cincom	Y	Y	Y	N	N	N	40% - 2nd - 10th; 50% - 11th-15th;60% - 16th +
Nixdorf	Y	Y	Y	N	N	N	Matrix against 4 product lines
McCormack & Dodge	Y	Y	Y	N	*	N	Proprietary
ADR	Y	Y	Y	N	N	N	20% - 2nd & subsequent
Mathematica	N	N	N	N	N	N	-
Software AG	Y	Y	Y	N	**	N	DK
MRI Systems	Y	Y	Y	Y	N	Y	No formal schedule
Pansophic	Y	Y	Y	N	N	N	10%-2nd & 3rd; 15%-4th&5th;20%-6th-8th; 25%-9th +

* Proprietary

** New product introduction, 1st 30 days free

DISCOUNTS AND FINANCIAL INCENTIVES

VENDOR	VOLUME	MULTI-SYSTEM	MULTI-SITE	PRE-PAYMENT	OTHER	USER COPIES	DISCOUNT SCHEDULE SUMMARY
DMSI	Y	Y	Y	Y	N	Y	50%-2nd-9th; 90% thereafter
MSA	Y	Y	Y	N	N	N	Proprietary
Cullinet	Y	Y	Y	N	N	N	Varies - No formal schedule

C. LICENSING (continued)

PRICE PROTECTION

- Varies greatly by vendor and by license type.
- Trend is away from price protection.
  - Hardware vendors.
  - Software vendors.

INPUT

PRICE PROTECTION

VENDOR	LICENSE TYPE			
	LEASE	RENTAL	PAID-UP	USAGE
MAINFRAMES:				
C.D.C.	N/A	N/A	N/A	N/A
Honeywell	Y	Y	Y	N/A
Univac	Y*	Y*	N/A	N/A
Amdahl	N	N	N	N
Burroughs	Y	Y	Y	N/A
MINI COMPUTERS:				
Perkin-Elmer	N	N	N	N
Gould	N/A	N/A	Y	N/A
DEC	N/A	Y	N/A	N/A
Hewlett-Packard	N/A	N/A	N/A	N/A
Data General	N/A	N/A	N/A	N/A
Prime	Y	Y	Y	N/A

* 12 Month Limit

PRICE PROTECTION

VENDOR	LICENSE TYPE			
	LEASE	RENTAL	PAID-UP	USAGE
SOFTWARE:				
Informatics	Y	Y	Y	N/A
Computer Associates	Micro Only	Micro Only	Micro Only	N/A
SDC	Y	Y	Y	N
Boole & Babbage	N/A	N/A	N/A	N/A
Cincom	N	N	Y	N
Nixdorf	*	*	*	N/A
McCormack & Dodge	N	N/A	N	N/A
ADR	90 days	90 days	90 days	90 days
Mathematica	N	N	N	N
Software AG	Y	N/A	Y	N/A
MRI Systems	Y	N/A	Y	N/A
Pansophic	Y	Y	Y	Y
DMSI **	N/A	N/A	N/A	N/A

* Contract retains right to raise price but as a rule they do not.

PRICE PROTECTION

VENDOR	LICENSE TYPE			
	LEASE	RENTAL	PAID-UP	USAGE
MSA	N/A	N/A	N/A	N/A
Cullinet	N	N	N/A	N/A

C. LICENSING (continued)

LICENSING FOCUS

LICENSED TO:	HARDWARE COMPANIES	SOFTWARE COMPANIES
CPU Serial Number	64%	27%
System Type	18%	7%
User Site	18%	67%
User Firm	27%	27%

- Enforcement now seen as a significant business problem.
- Contract terms often monitored through field support personnel.
- Several respondents commented on being involved in contract litigation with users.

SOFTWARE LICENSING FOCUS

VENDOR	CPU SERIAL NUMBER	SYSTEM TYPE	USER SITE	USER FIRM	OTHER	LICENSING ENFORCEMENT
MAINFRAMES:						
C.D.C.	-	-	-	X	-	License agreement - Difficult.
Honeywell	X	-	-	-	-	Contract-But rely on customer integrity.
Univac	-	-	X	X	SPU*	Legal controls; Monitor usage through central support facility
Amdahl	X	-	-	-	-	Terminate license upon violation.
Burroughs	X	-	-	-	-	Through maintenance.
MINICOMPUTERS:						
Perkin-Elmer	X	-	-	-	-	Security-permission disk (only runs on one CPU.
Gould	X	-	-	-	-	Contracts.
DEC	X	-	-	-	-	New products tied to CPU serial// Maintenance activities detect misuse.
Hewlett-Packard	-	X	-	-	-	Can't do.

* Software Processing Unit

SOFTWARE LICENSING FOCUS

VENDOR	CPU SERIAL NUMBER	SYSTEM TYPE	USER SITE	USER FIRM	OTHER	LICENSING ENFORCEMENT
Data General	X	-	-	-	-	Contract
Prime	-	X	X	X	-	Manual policing through field service

SOFTWARE LICENSING FOCUS

VENDOR	CPU SERIAL NUMBER	SYSTEM TYPE	USER SITE	USER FIRM	OTHER	LICENSING ENFORCEMENT
SOFTWARE:						
Informatics	-	-	X	X	-	No policing procedure.
Computer Associates	X	-	X	-	-	Terminate and sue.
SDC	-	X	-	-	-	Not done.
Boole & Babbage	X	-	X	-	-	No problem.
Cincom	X	-	X	-	-	Contract; CPU serial #.
Nixdorf	-	-	-	-	Chassis System	Depends on how flagrant misuse is.
McCormack & Dodge	-	-	X	X	-	No problem-no support without license.
ADR	-	-	-	X	-	Contracts; Customer integrity.
Mathematica	X	-	-	-	-	Contracts and legal channels.
Software AG	-	-	X	-	-	Typically by accident, through customer service center.
MRI Systems	-	-	X	-	-	Can't enforce.
Pansophic	-	-	X	-	-	Rely on customer integrity.
DMSI	-	-	X	-	-	Contract.

SOFTWARE LICENSING FOCUS

VENDOR	CPU SERIAL NUMBER	SYSTEM TYPE	USER SITE	USER FIRM	OTHER	LICENSING ENFORCEMENT
MSA	-	-	X	-	-	Legal Channels.
Cullinet	-	-	-	X	-	No support without license.

D. UPGRADES/ENHANCEMENTS

	HARDWARE COMPANIES	SOFTWARE COMPANIES
No Charge	45%	33%
Additional Charge	36%	13%
In Maintenance Fee	64%	87%
New Product	18%	13%

INPUT

SOFTWARE UPGRADES/ENHANCEMENTS

VENDOR	NO CHARGE	CHARGED	IN MAINTENANCE	NEW PRODUCT	NONE PLANNED	OTHER
MAINFRAMES:						
C.D.C.	-	X	-	-	-	-
Honeywell	X	X	X	X	-	-
Univac	X Contract reserves right to change	-	-	-	-	-
Amdahl	Sys. Support only	Operating Systems only	Appl. Support only	-	-	-
Burroughs	-	-	X	-	-	-
MINI COMPUTERS:						
Perkin-Elmer	X*	-	-	-	X	-
Gould	-	-	X	-	-	-
DEC	Only Systems	-	X	-	-	-
Hewlett-Packard	-	X	-	X	-	-

* No precedent - could change

SOFTWARE UPGRADES/ENHANCEMENTS

VENDOR	NO CHARGE	CHARGED	IN MAINTENANCE	NEW PRODUCT	NONE PLANNED	OTHER
Data General	-	-	X	-	-	-
Prime	-	-	X	-	-	-

SOFTWARE UPGRADES/ENHANCEMENTS

VENDOR	NO CHARGE	CHARGED	IN MAINTENANCE	NEW PRODUCT	NONE PLANNED	OTHER
Software:						
Informatics	-	-	X	-	-	-
Computer Associates	-	-	X	-	-	-
SDC	-	-	X	-	-	-
Boole & Babbage	X	-	-	-	-	-
Cincom	X	X	X	X	-	-
Nixdorf	X	-	X	X	-	-
McCormack & Dodge	X	-	X	-	-	-
ADR	-	-	X	-	-	-
Mathematica	-	-	X	-	-	-
Software AG	-	-	X	-	-	-
MRI Systems	-	X	-	-	X-Appl.	-
Pansophic	-	-	X	-	-	-
DMSI	-	-	X	-	-	-

SOFTWARE UPGRADES/ENHANCEMENTS

VENDOR	NO CHARGE	CHARGED	IN MAINTENANCE	NEW PRODUCT	NONE PLANNED	OTHER
MSA	-	-	X	-	-	-
Cullinet	X	-	X	-	-	-

E. SOURCE CODE

- Hardware companies more likely to deliver source code (82%) than software companies (53%).
  - Extra fee often charged by hardware companies.
  - Usually in machine readable form.
- Most firms have some form of software protection.
  - Hardware firms always copyright (100%).
  - Software firms both copyright (87%) and trade secret (73%).
- Attitudes on enforcement vary widely.
  - Most see enforcement as difficult.
  - Enforcement becoming move prevalent.

INPUT

SOURCE CODE DELIVERY

		DELIVERY MEANS		SOFTWARE PROTECTION			
VENDOR	SOURCE CODE DELIVERY	MACHINE READABLE	MICRO-FICHE	COPY-RIGHT	TRADE SECRET	OTHER	ENFORCEMENT
MAINFRAMES:							
C.D.C.	Never	-	-	X	X	-	Copy-prevention mechanism
Honeywell	Special Arrangement Extra Fee	X	-	X	X	-	-
Univac	Major sys. Normally Extra Fee	X	-	X	X	-	Contractual restrictions Tape monitoring
Amdahl	Extra Fee	X	-	X	X	-	Terminate license upon violation
Burroughs	Need to know - Extra Fee	X	-	X	X	-	Manually
MINI COMPUTERS:							
Perkin-Elmer	Never	-	-	X	X	-	Permission disk

SOURCE CODE DELIVERY

		DELIVERY MEANS		SOFTWARE PROTECTION			
VENDOR	SOURCE CODE DELIVERY	MACHINE READABLE	MICRO-FICHE	COPY-RIGHT	TRADE SECRET	OTHER	ENFORCEMENT
Gould	Need to know-Extra Fee	X	X	X	-	None	Difficult; Contracts.
DEC	Varies-Extra Fee	X	-	X	-	-	Can't enforce.
Hewlett-Packard	Extra Fee	X	-	X	-	-	Can't do.
Data General	Need to Know*	X	-	X	X	-	Strict contracts.
Prime	Op. Sys.-Normally Others-Need to know	X	-	X	-	-	Manual process

* Offer special source license agreement

SOURCE CODE DELIVERY

VENDOR	SOURCE CODE DELIVERY	DELIVERY MEANS		SOFTWARE PROTECTION			
		MACHINE READABLE	MICRO-FICHE	COPY-RIGHT	TRADE SECRET	OTHER	ENFORCEMENT
Software:							
Informatics	Never	-	-	X	X	-	Contracts.
Computer Associates	Applications only	X	-	X	X	-	Legal channels.
SDC	Normally	-	-	X	-	-	Don't enforce.
Boole & Babbage	Never	-	-	X	-	-	Legal action. *
Cincom	Never-Majority Extra Fee-Minority	X	-	X	X	-	Courts
Nixdorf	Optional	X	-	X	X	-	Not a problem.
McCormack & Dodge	Normally Small portion-Never	X	-	X	X	-	Copyright legends on all materials.
ADR	Never	-	-	X	X	-	Contract.

* Currently involved in a lawsuit

SOURCE CODE DELIVERY

		DELIVERY MEANS		SOFTWARE PROTECTION			
VENDOR	SOURCE CODE DELIVERY	MACHINE READABLE	MICRO-FICHE	COPY-RIGHT	TRADE SECRET	OTHER	ENFORCEMENT
Mathematica	Never	-	-	-	X	-	Contracts.
Software AG	Never	-	-	X	X	-	Can't enforce.
MRI Systems	Never-Sys. Supp. Normally-Appl.	X	-	X	X	-	Can't enforce.
Pansophic	Never	-	-	-	X	-	Customer integrity.
DMSI	Normally	X	-	X	-	-	Contracts.
MSA	Normally	X	-	X	-	-	Contracts.
Cullinet	Never	-	-	X	X	-	Contracts.

F. REDISTRIBUTION

REDISTRIBUTION (1)

- Over half of hardware vendors engage in some form of software redistribution.
- About one-quarter of software vendors redistribute.
- Added value is usually required by a hardware company.
- Only one software respondent reported enhancing hardware vendor softwrae to run on another vendor's hardware.

INPUT

F. REDISTRIBUTION (continued)

REDISTRIBUTION (2)

- End user licenses with either hardware vendor or redistributor.
  - Hardware vendors divided on practice.
  - Two software respondents report that licenses are between users and themselves.
- A majority of vendors have different terms and conditions with service vendors; examples:
  - Won't sell to some, or all, service vendors.
  - Cost or usage pricing/royalities.
  - Different discounts.

SOFTWARE REDISTRIBUTION

VENDOR	SOFTWARE REDISTRIBUTED	DISCOUNT TO SOFTWARE REDISTRIBUTOR	ADDED VALUE REQUIRED	NEW CODE FOR		END USER LICENSE W/HOW VENDOR	DIFFERENCES IN T&C TO SERVICES VENDORS
				ORIGINAL VENDOR	ANOTHER VENDOR		
MAINFRAMES:							
C.D.C.	Y	40-60%	N	N	N	Y	Y - OEM pays wholesale price
Honeywell	Y	Varies	Y	Y	N	N	N
Univac	N*	-	-	-	-	-	Y - Charged additional fee.
Amdahl	N	-	-	-	-	-	N
Burroughs	Y	Y	N	N	N	Y	N
MINI COMPUTERS:							
Perkin-Elmer	N	-	-	-	-	-	Only supply end users
Gould	Y	Y-Varies	Y	N	N	N	N
DEC	Y	Y-DK%	N	N	DK	Y	N
Hewlett-Packard	Y	Y	Y	Y	N	N	N

* Intended Soon

SOFTWARE REDISTRIBUTION

VENDOR	SOFTWARE REDISTRIBUTED	DISCOUNT TO SOFTWARE REDISTRIBUTOR	ADDED VALUE REQUIRED	NEW CODE FOR		END USER LICENSE W/HDW VENDOR	DIFFERENCES IN T&C TO SERVICES VENDORS
				ORIGINAL VENDOR	ANOTHER VENDOR		
Data General	Y	Y	Y	Y	N	N	N
Prime	Y	Y	Y	Y	N	Y	N

SOFTWARE REDISTRIBUTION

VENDOR	SOFTWARE REDISTRIBUTED	DISCOUNT TO SOFTWARE REDISTRIBUTOR	ADDED VALUE REQUIRED	NEW CODE FOR		END USER LICENSE W/SFW VENDOR	DIFFERENCES IN T&C TO SERVICES VENDORS
				ORIGINAL VENDOR	ANOTHER VENDOR		
SOFTWARE:							
Informatics	N	-	-	-	-	-	Y - Charge usage fee.
Computer Associates	N	-	-	-	-	-	Y - Timesharing agreements negotiated case by case.
SDC	N	-	-	-	-	-	N
Boole & Babbage	Y	N	Y	Y	N	N	N
Cincom	N	-	-	-	-	-	Y - Negotiated on individual basis.
Nixdorf	Y	Varies	DK	N	*	Y	N
McCormack & Dodge	Y	**	**	**	N	Y	N
ADR	N	-	-	-	-	-	Y - Negotiate special T&C sometimes
Mathematica	Y	**	Y	Y	Y	N	Y - Won't discuss.
Software AG	N	-	-	-	-	-	Service Vendors charged usage royalties.
MRI Systems	N	-	-	-	-	-	N/A

** Proprietary

SOFTWARE REDISTRIBUTION

VENDOR	SOFTWARE REDISTRIBUTED	DISCOUNT TO SOFTWARE REDISTRIBUTOR	ADDED VALUE REQUIRED	NEW CODE FOR		END USER LICENSE W/SFW VENDOR	DIFFERENCES IN T&C TO SERVICES VENDORS
				ORIGINAL VENDOR	ANOTHER VENDOR		
Pansophic	N	-	-	-	-	-	N
DMSI	N	-	-	-	-	-	Only sell to end users
MSA	N	-	-	-	-	-	Y - No restrictions on use; Royalty charge.
Cullinet	N	-	-	-	-	-	N

G. INSTALLATION

- Installation terms vary, no pattern.
- Acceptance period varies - 30-90 days most common.
- Software companies are somewhat more likely to have their warranty depend on vendor installation (47%) than are hardware companies (40%).
- Fewer software vendors make modifications to software than do hardware companies.
  - Common to try to avoid making modifications.
  - However, some software companies view modifications as a revenue source.

INSTALLATION

VENDOR	INSTALLATION SERVICE	ACCEPTANCE PERIOD (DAYS)	FREE COPIES OF DOCUMENTATION	WARRANTEE REQUIRES INSTALLATION?	MODIFICATIONS		EXTRA FEE
					MAKE?	MAINTAIN?	
MAINFRAMES:							
C.D.C.	Not available	Y-30	2	N	N	-	-
Honeywell	Varies by customer and system	N	1	N	Y-Avoid	Standard Products Only	Y
Univac	Separate charge	N	1	N	N	-	-
Amdahl	Varies	Y-30	1	N	N	-	-
Burroughs	Free	Y	1	N	Y-Appl. only	Y	Y
MINICOMPUTERS:							
Perkin-Elmer	Free	N	1	N	N	-	-
Gould	Free	Y-Op. Sys. 1-14	1	N	Y-consult.	Y	Y
DEC	Separate charge	N	1	N	Y	Y	Y
Hewlett-Packard	Free*	-	1	Y-op. sys only	Y	Y-Appl. only	Y

*Changing for Data Communications Products - Too Expensive

INSTALLATION

VENDOR	INSTALLATION SERVICE	ACCEPTANCE PERIOD (DAYS)	FREE COPIES OF DOCUMENTATION	WARRANTEE REQUIRES INSTALLATION?	MODIFICATIONS		EXTRA FEE
					MAKE?	MAINTAIN?	
Data General	Varies	N	1	N	Special Sys. Group Only	-	Y
Prime	Free	Y-1	1	1st Inst. Only	Y	Y	Y

INSTALLATION

VENDOR	INSTALLATION SERVICE	ACCEPTANCE PERIOD (DAYS)	FREE COPIES OF DOCUMENTATION	WARRANTEE REQUIRES INSTALLATION?	MODIFICATIONS		EXTRA FEE
					MAKE?	MAINTAIN?	
SOFTWARE:							
Informatics	2 days-Free	Y-30	2	Y	N	-	-
Computer Associates	Free	Y-30	1	N	Y-Appl.	N	Y
SDC	2 days Separate charge	Y-7 to 28	5	Y	Y	Y	Y
Boole & Babbage	Free 1-5 days	Y-21 to 45	2	N	N	-	-
Cincom	Separate charge	Y-30 to 90	1-3	Y	Y	N	Y
Nixdorf	Separate charge	Y-30 to 90	1	Varies by Product	App. only	Y-avoid	Y
McCormack & Dodge	Not available	N	2	N	N	-	-
ADR	Free	N	2	N	N	-	-
Mathematica	Not available	N	5	N	N	-	-

INSTALLATION

VENDOR	INSTALLATION SERVICE	ACCEPTANCE PERIOD (DAYS)	FREE COPIES OF DOCUMENTATION	WARRANTEE REQUIRES INSTALLATION?	MODIFICATIONS		EXTRA FEE
					MAKE?	MAINTAIN?	
Software AG	3-5 days - Free	Y-15	5	Y	N	-	-
MRI Systems	Free	Y-30	*	N	N	-	-
Pansophic	1-5 days - Free	Y-30	4	Y	Y	Y	N
DMSI	Separate Charge	Y-60	2	Y	Y	Y	Y**
MSA	1-5 days - Free	N	1	N	N	-	-
Cullinet	Free	N	1	N	N	-	-

* As many as user requires. ** Exhorbitant fee.

H. MAINTENANCE

SEPARATE MAINTENANCE FEES

TYPE OF SOFTWARE LICENSE	HARDWARE COMPANIES	SOFTWARE COMPANIES
Lease	50%	83%
Continuous Payment	50%	72%
Usage Pricing	N/A	100%
Paid-Up	33%	80%
One Time Charge	64%	79%

NOTE:

(1) Percentages include only those companies which have that type of software license.

(2) If in fee, but optional, counted as a separate maintenance agreement.

MAINTENANCE CHARGE APPROACH BY
METHOD OF LICENSE PAYMENT

VENDOR	LEASE	CONTINUOUS PAYMENT	USAGE PRICING	PAID-UP LICENSE	ONE-TIME CHARGE	COMMENTS
MAINFRAMES:						
C.D.C.	-	-	-	-	In Fee-12 Mo.	Hot-line only
Honeywell	In Fee	-	-	-	Sep.-Opt.	Some free 1 year support
Univac	Sep.-Req. In Fee	Same	-	-	Same	-
Amdahl	-	In Fee-Opt.	-	-	Appl. Supp.-Sep.-Opt. Others-In Fee	-
Burroughs	In Fee-Req.	In Fee-Req.	-	In Fee-Req.	In Fee-Req.	-
MINI COMPUTERS:						
Perkin-Elmer	-	-	-	-	In Fee	-
Gould	-	-	-	12 Mo.	12 Mo.	-
DEC	-	-	-	-	Sep.-Opt.	-
Hewlett-Packard	-	-	-	-	Sep.-Opt.	-

MAINTENANCE CHARGE APPROACH BY
METHOD OF LICENSE PAYMENT

VENDOR	LEASE	CONTINUOUS PAYMENT	USAGE PRICING	PAID-UP LICENSE	ONE-TIME CHARGE	COMMENTS
Data General	-	-	-	-	In Fee-Sep.-Opt.	3 Options
Prime	Sep-Opt.	Sep-Opt.	-	Sep-Opt.	Sep-Opt.	-

MAINTENANCE CHARGE APPROACH BY
METHOD OF LICENSE PAYMENT

VENDOR	LEASE	CONTINUOUS PAYMENT	USAGE PRICING	PAID-UP LICENSE	ONE-TIME CHARGE	COMMENTS
SOFTWARE:						
Informatics	In Fee-Sep. 12 Mo.-Opt.	-	-	In Fee-Sep. 12 Mo.-Opt.	In Fee-Sep. 12 Mo.-Opt	
Computer Associates	In Fee-Sep. 12 Mo.-Opt.	In Fee- Sep 12 Mo.-Opt.	-	In Fee-Sep. 12 Mo.-Opt.	In Fee-Sep. 12 Mo.-Opt.	
SDC	Sep-Opt	-	Sep - Opt	Sep-Opt	Sep-Opt	
Boole & Babbage	-	-	-	-	Sep-Req.	
Cincom	Sep-Req.	Sep-Req.	Sep - Req.	Sep-Req.	Sep-Req.	
Nixdorf	In Fee-Sep. 12 Mo.-Opt.	In Fee-Sep. 12 Mo.-Opt.	-	In Fee-Sep. 12 Mo.- Opt.	In Fee-Sep. 12 Mo.-Opt.	
McCormack & Dodge	Sep-Opt In Fee	-	-	Sep-Opt. In Fee	Sep-Opt. In Fee	
ADR	12 Mo.-Opt.	In Fee-Req.	-	12 Mo.	12 Mo.	
Mathematica	In Fee-Req.	In Fee-Req.	12 Mo.-Opt. In Fee	12 Mo.-Opt. In Fee	12 Mo.-Opt. In Fee	
Software AG	12 Mo.-Sep. Req.	-	-	12 Mo.-Sep. Req.	12 Mo.-Sep. Req.	

MAINTENANCE CHARGE APPROACH BY
METHOD OF LICENSE PAYMENT

VENDOR	LEASE	CONTINUOUS PAYMENT	USAGE PRICING	PAID-UP LICENSE	ONE-TIME CHARGE	COMMENTS
MRI Systems	In Fee	-	-	In Fee	In Fee	
Pansophic	In Fee-Sep. 12 Mo.-Opt.	12 Mo.-Opt.	12 Mo.-Opt	12 Mo.-Opt.	12 Mo.-Opt.	
DMSI	-	-	-	-	Sep.-Opt.	
MSA	-	-	-	-	12 Mo.-Req.	
Cullinet	Sep-Req.	Sep - Req.	-	-	-	

H. MAINTENANCE (continued)

MAINTENANCE (I)

- Annual maintenance fee of 10-12% of purchase price is common for software vendors.

  - Varies for other vendors.

- Maintenance typically includes both fixes and enhancements for software companies; also common for hardware companies.

  - Point at which an enhancement becomes a new product can depend on :
    - Size of enhancement.
    - Degree of change in functionality.

- Minimum maintenance term usually 12 months for software companies. Hardware companies show greater variation.

- Hardware maintenance is not a prerequisite for software maintenance by hardware companies.

INPUT

MAINTENANCE (1)

VENDOR	12-MONTH MAINTENANCE FEE	MAINTENANCE			WHAT IS ENHANCEMENT VS. NEW PRODUCT	MINIMUM MAINTENANCE TERM	HARDWARE MAINTENANCE PREREQUISITE
		FIXES	ENHANCED	OTHER			
MAINFRAMES:							
C.D.C.	Not Offered	-	-	-	-	-	-
Honeywell	Varies By Product	X	X	-	Logical Extension	12 Mo.	N
Univac	None	-	-	-	Size - Additional Functionality	N	N
Amdahl	Varies By Product	X	X	-	Logical Extension & Hardware	N	N
Burroughs	N/A	X	X	*	DK	N	N
MINI COMPUTERS:							
Perkin-Elmer	Not Offered	-	-	-	Additional Functionality	-	N
Gould	10%	X	X	-	Major Rewrite	12 Mo.	Y

* Remote diagnostics

MAINTENANCE (1)

VENDOR	12-MONTH MAINTENANCE FEE	MAINTENANCE			WHAT IS ENHANCEMENT VS. NEW PRODUCT	MINIMUM MAINTENANCE TERM	HARDWARE MAINTENANCE PREREQUISITE
		FIXES	ENHANCED	OTHER			
DEC	Varies	X	X	-	Judgement by Development Team	12 Mo.	N
Hewlett-Packard	Varies	X	X	*	Varies by product	3 Mo.	N
Data General	Varies	X	X	-	Additional Capabilities	12 Mo.	N
Prime	Varies by Product	X	X	**	Different Capabilities	Y	Y

* Customer assigned Systems Engineer
** .Preventive monthly main. checks
.On-line diagnostics

MAINTENANCE (1)

VENDOR	12-MONTH MAINTENANCE FEE	MAINTENANCE			WHAT IS ENHANCEMENT VS. NEW PRODUCT	MINIMUM MAINTENANCE TERM	HARDWARE MAINTENANCE PREREQUISITE
		FIXES	ENHANCED	OTHER			
SOFTWARE:							
Informatics	12%	X	X	X	Functional Change.	12 Mo.	N/A
Computer Associates	13%	X	X	-	Functional Change.		
SDC	10%	X	X	-	No Standard Determinant	12 Mo.	N/A
Boole & Babbage	20%	X	X	-	Size or Function	12 Mo.	N/A
Cincom	13-20%	X	X	-	Size or Function	12 Mo.	N/A
Nixdorf	*	X	X	-	Functional Change	*	N
McCormack & Dodge	Proprietary	X	X	X	More than improvement	12 Mo.	N/A
ADR	Varies	X	X	-	Functional Change	12 Mo.	-
Mathematica	Varies	X	X	**	New Application	12 Mo.	N/A
Software AG	10-12%	X	X	-	Development effort & user community input	12 Mo.	N/A
MRI Systems	Varies	X	X	-	-	-	N/A

* Hasn't been set yet.

** Engineering Service Bulletins periodically issued.

MAINTENANCE (1)

VENDOR	12-MONTH MAINTENANCE FEE	MAINTENANCE			WHAT IS ENHANCEMENT VS. NEW PRODUCT	MINIMUM MAINTENANCE TERM	HARDWARE MAINTENANCE PREREQUISITE
		FIXES	ENHANCED	OTHER			
Pansophic	12%	X	X	-	Size and Function	12 Mo.	N/A
DMSI	Varies*	X	X	-	Size of enhancement	12 Mo.	N/A
MSA	11%	X	X	-	Universality of Need for Module	12 Mo.	N/A
Cullinet	10%	X	X	-	Major Rewrite.	12 Mo.	N/A

* 12% full service; Image sites 12% parent, 2% each child.

H. MAINTENANCE (continued)

MAINTENANCE (2)

- Maintenance for old releases varies from "none" to "forever."
- There are few response time promises by vendors.
- Trouble report turnaround varies.
  - "Immediate" most commonly promised.
  - Actual practice will show variations.

INPUT

H. MAINTENANCE (continued)

FIX NOTIFICATION

TYPE OF NOTIFICATION	HARDWARE COMPANIES	SOFTWARE COMPANIES
On-Site	64%	47%
Telephone	82%	87%
Letter	64%	60%
Newsletter	73%	60%
Maintenance Release	91%	73%
All Users	91%	100%
Applied By:		
Vendor Only	9%	7%
Customer Only	9%	60%
Both	73%	33%

MAINTENANCE (2)

VENDOR	MAINTENANCE FOR OLD RELEASE	RESPONSE TIME	FIX NOTIFICATION							
			ON-SITE	TELEPHONE	LETTER	NEWS LETTER	MAINTENANCE RELEASE	ALL USERS	FIX APPLIED BY	TROUBLE REPORT TURNAROUND
MAINFRAMES:										
C.D.C.	-	-	N	Y	N	N	N	-	-	-
Honeywell	3-36 months	No Contract	Y*	Y	Y	Y	Y	Y	Both	DK
Univac	6 months	No Time	Y	Y	Y	Y	Y	Y	Cust.	Immed.
Amdahl	Varies 6 Month Minimum	No Cont.	Y	Y	N	N	Y	Y	Both	DK
Burroughs	Varies	No Cont.	Y	Y	Y	Y	Y	Y	Both (Varies)	Varies
MINI COMPUTERS:										
Perkin-Elmer	No Contract	No Contract	-	-	-	-	Y	Y	Both	DK
Gould	2 Releases	DK	-	Y	Y	Y	Y	Y	Vendor	DK
DEC	6 Months	Depends On Contract	Y	Y	Y	Y	Y	Y	Both	DK

* Usual

MAINTENANCE (2)

VENDOR	MAINTENANCE FOR OLD RELEASE	RESPONSE TIME	FIX NOTIFICATION							
			ON-SITE	TELEPHONE	LETTER	NEWS LETTER	MAINTENANCE RELEASE	ALL USERS	FIX APPLIED BY	TROUBLE REPORT TURNAROUND
Hewlett-Packard	For 1 Release	No Time	-	-	Y	Y	Y	Y	Both	1 Day Fix
Data General	6 Months	No obligation	Y	Y	-	Y	Y	Y	Both	DK-Varies
Prime	24 Months or 2 Releases	Varies by Contract	Y	Y	Y	Y	Y	Y	Both	Immed.-30 Days

MAINTENANCE (2)

VENDOR	MAINTENANCE FOR OLD RELEASE	RESPONSE TIME	FIX NOTIFICATION							
			ON-SITE	TELEPHONE	LETTER	NEWS LETTER	MAINTENANCE RELEASE	ALL USERS	FIX APPLIED BY	TROUBLE REPORT TURNAROUND
SOFTWARE:										
Informatics	-	No Contract	-	Y	Y	-	-	Y	Cust.	24 Hrs.
Computer Associates	DK	No Contract	Y	Y	Y	Y	Y	Y	Both	Varies
SDC	2 Months	No Contract	-	Y	-	-	Y	Y	Both	DK
Boole & Babbage	3-4 Months	Varies	Y	Y	Y	Y	Y	Y	Both	1-2 Days
Cincom	Forever	No Contract	Y	Y	Y	Y	Y	Y	Cust.	DK
Nixdorf	Varies	DK	-	-	-	Y*	-	**	Both	DK
McCormack & Dodge	1 Release	30 Days	-	Y	Y	Y	Y	Y	Cust.	Varies
ADR	2 Releases	No Time	-	Y	Y	Y	Y	Y	Cust.	DK
Mathematica	DK	No Contract	-	Y	-	-	Y	Y	Cust.	Varies
Software AG	6 Months	Not Offered	Y	Y	Y	Y	Y	Y	Cust.	2 days
MRI Systems	-	No Contract	-	Y	-	-	-	Y	Cust.	1 Day

* Also Dial-up.

MAINTENANCE (2)

VENDOR	MAINTENANCE FOR OLD RELEASE	RESPONSE TIME	FIX NOTIFICATION							
			ON-SITE	TELEPHONE	LETTER	NEWS LETTER	MAINTENANCE RELEASE	ALL USERS	FIX APPLIED BY	TROUBLE REPORT TURNAROUND
Pansophic	Not covered	No Time	Y	Y	-	-	Y	Y	Both	DK
DMSI	Forever	Not Offered	-	*	-	-	-	Y	Cust.	DK
MSA	Beyond 2 years	No Contract	Y	Y	Y	Y	Y	Y	Cust.	24 Hrs.
Cullinet	DK	No Contract	Y	Y	Y	Y	Y	Y	Vendor	1 Day

* Dial-up

H. MAINTENANCE (continued)

MAINTENANCE (3)

- Hardware companies are about as likely to give a price discount for multi-license maintenance as software companies.
- Central maintenance arrangements are common among software companies, more so among hardware companies.
- On-site maintenance pricing ranges from about $300 per day to $2,000 per day.

INPUT

MAINTENANCE (3)

VENDOR	MULTI-LICENSE MAINTENANCE		OTHER	ON-SITE MAINTENANCE
	PRICE DISCOUNT	CENTRAL MAINTENANCE		
MAINFRAMES:				
C.D.C.	-	-	-	Not Offered
Honeywell	-	X	-	Varies by Systems & Customer
Univac	X	X	-	10-15% of monthly lease fee. $/Hour depends on skill level
Amdahl	-	X-optional	-	Fixed price by hour
Burroughs	-	X	-	Not Offered
MINI COMPUTERS:				
Perkin-Elmer	N/A	N/A	-	Not Offered
Gould	X	X	-	Not Offered
DEC	X	X	-	DK
Hewlett-Packard	X	X	-	$100/Hour + Travel Expenses
Data General	-	-	-	Fixed Price by Product
Prime	X	X	-	Varies

MAINTENANCE (3)

VENDOR	MULTI-LICENSE MAINTENANCE		OTHER	ON-SITE MAINTENANCE
	PRICE DISCOUNT	CENTRAL MAINTENANCE		
SOFTWARE:				
Informatics	X	X	-	Not offered sep.
Computer Associates	-	-	Varies	Not offered sep.
SDC	-	-	-	-
Boole & Babbage	X	X	-	Not offered sep.
Cincom	X	X	-	$100-$125/Hour.
Nixdorf	X	X	-	$75/Hour
McCormack & Dodge	-	X	-	Not offered sep.
ADR	*	*	-	Not offered.
Mathematica	X	-	-	Not offered
Software AG	-	-	-	$1000/day
MRI Systems	-	-	-	N/A
Pansophic	-	X	-	$2000/Day
DMSI	-	-	Image site discount	$300-$950/day

* = Not standard

MAINTENANCE (3)

VENDOR	MULTI-LICENSE MAINTENANCE		OTHER	ON-SITE MAINTENANCE
	PRICE DISCOUNT	CENTRAL MAINTENANCE		
MSA	-	-	No Discount (Separate)	$500/Day.
Cullinet	X	X	Negotiable	DK

I. MARKETING

- All hardware vendors surveyed reported that their salesforces sold both hardware and software.

MARKETING

VENDOR	SALES FORCE SELLS		COMMENTS
	HARDWARE	SOFTWARE	
MAINFRAMES:			
C.D.C.	X	X	
Honeywell	X	X	
Univac	X	X	
Amdahl	X	X	
Burroughs	X	X	
MINI COMPUTERS:			
Perkin-Elmer	X	X	
Gould	X	X	
DEC	X	X	
Hewlett-Packard	X	X	
Data General	X	X	
Prime	X	X	

J. TRENDS

- Respondees did not tend to forecast software price increases.
- Software pricing factors varied by company - no discernable pattern was evident.
- Cost factors varied. However, Research and Development was predominant among software companies (47%).
- Hardware vendors are becoming more service oriented in relation to software products.
- No pattern evolving for licensing methods.

INPUT

TRENDS

VENDOR	% PRICE CHANGES			MOST IMPORTANT PRICING FACTOR	MOST IMPORTANT COST FACTOR	COMMENTS
	1984	1985	1986			
MAINFRAMES:						
C.D.C.	0	+20%	DK	Maximize Profits	Sales & Mktg.	
Honeywell		PROPRIETARY				
Univac	+10-15%	+10%	+10%	Increase Revenues	Profit Allocation	
Amdahl	DK	DK	DK	DK	DK	
Burroughs	0	DK	DK	DK	DK	
MINI COMPUTERS:						
Perkin-Elmer	DK	DK	DK	-	Profit Allocation R & D Cost	
Gould	0	*	*	Meet competition Price	Research & Devel.	
DEC	0	0	DK	DK	DK	
Hewlett-Packard	DK	DK	DK	DK	DK	
Data General	DK	DK	DK	DK	DK	
Prime	DK	DK	DK	Meet competition price	Sales & Mktg.	

*Whatever the market will bear.

TRENDS

VENDOR	% PRICE CHANGES			MOST IMPORTANT PRICING FACTOR	MOST IMPORTANT COST FACTOR	COMMENTS
	1984	1985	1986			
SOFTWARE:						
Informatics	0	0	10-15%	Increase Market Share	Research & Devel.	
Computer Assoc.	-	-	-	Proprietary	Proprietary	
SDC	0	DK	DK	Maintain Market Share	None very important	
Boole & Babbage	0	5%	DK	Value Price	Customer Support	
Cincom	5%	10%	10%	Meet Competition Price	Research & Devel.	
Nixdorf	DK	DK	DK	Meet Competition Price	Labor Intensive Fees	
McCormack & Dodge	*	*	*	*	*	
ADR	*	*	*	*	*	
Mathematica	*	*	*	*	*	
Software AG	0	0	5-10%	Attain Satisfac. Profit	Research & Devel.	
MRI Systems	0	20%	DK	Increase Revenue	Research & Devel.	
Pansophic	*	*	*	*	*	
DMSI	0	0	0	Value Price	Research & Devel.	Noted "Customization Requirement" as significant pricing factor also.

TRENDS

VENDOR	% PRICE CHANGES			MOST IMPORTANT PRICING FACTOR	MOST IMPORTANT COST FACTOR	COMMENTS
	1984	1985	1986			
MSA	8%	8%	8%	Value Price	Research & Devel.	
Cullinet	DK	DK	DK	DK	Research & Devel.	

TRENDS

VENDOR	FUTURE T&C CHANGES	FUTURE T&C CHANGES	FUTURE USAGE OF LICENSING METHODS				
	LICENSING	MAINTENANCE	LEASE	RENTAL	PAID-UP	ONE-TIME	USAGE
MAINFRAMES:							
C.D.C.	-	-	Same	Same	Increase	Increase	Same
Honeywell		PROPRITARY					
Univac	Allow 3rd party software redistribution	Increase On-Line diagnostics. Offer separately priced central support plan	Decrease	Decrease	N/A	Increase	N/A
Amdahl	-	-	DK	DK	DK	DK	DK
Burroughs	More towards generic software	Increase On-Line diagnostics	Decrease	Decrease	Decrease	Increase	Same
MINI COMPUTERS:							
Perkin-Elmer	-	-	N/A	N/A	N/A	Same	N/A
Gould	Protection of original software - Generic software	Increase On-Line & generally improved software diagnostics	Same	Same	Increase	Increase	Same

TRENDS

VENDOR	FUTURE T&C CHANGES	FUTURE T&C CHANGES	FUTURE USAGE OF LICENSING METHODS				
	LICENSING	MAINTENANCE	LEASE	RENTAL	PAID-UP	ONE-TIME	USAGE
DEC	None	Increase On-Line Delivery	DK	DK	DK	DK	DK
Hewlett-Packard	-	Increase on-line diagnostics. Lower profit targets. Price Decreases	N/A	N/A	N/A	-	N/A
Data General	None	Increased on-line diagnostics	N/A	N/A	N/A	Same	N/A
Prime	Stay as it is now	Stay as is	DK	DK	DK	DK	DK

TRENDS

VENDOR	FUTURE T&C CHANGES	FUTURE T&C CHANGES	FUTURE USAGE OF LICENSING METHODS				
	LICENSING	MAINTENANCE	LEASE	RENTAL	PAID-UP	ONE-TIME	USAGE
SOFTWARE:							
Informatics	Increased site licensing. Increased Mainframe SW leasing	None	Increase	Decrease	Same	Same	Increase
Computer Associates	Increased - 1-3 Yr. Licenses	-	Increase	Increase	Decrease	Decrease	-
SDC	-	-	Same	Same	Decrease	Decrease	Increase
Boole & Babbage	-	-	Same	Same	Same	Same	Same
Cincom	Increased Usage Pricing. More Volume Discounting.	Increased Support Services	Increase	Decrease	Increase	Decrease	Increase
Nixdorf	Push for Uniform Product Set.	Increased Remote Telecomm. Support More levels of Support	N/A	Increase	N/A	Decrease	N/A

TRENDS

VENDOR	FUTURE T&C CHANGES	FUTURE T&C CHANGES	FUTURE USAGE OF LICENSING METHODS				
	LICENSING	MAINTENANCE	LEASE	RENTAL	PAID-UP	ONE-TIME	USAGE
McCormack & Dodge	-	-	Increase	Same	Same	Same	Same
ADR	-	-	DK	DK	DK	DK	DK
Mathematica	-	-	Increase	Same	N/A	Increase	N/A
Software AG	Increased Site licensing & usage pricing	No Changes	Same	Same	Same	Same	Increase
MRI Systems	-	-	Decrease	N/A	Increase	Increase	N/A
Pansophic	-	-	Increase	Increase	Decrease	Decrease	Increase
DMSI	3rd Party Leasing	No Changes	Increase	Same	Same	Same	Same
MSA	-	Multi-year maintenance contracts so user can get price protection	Same	Same	Same	Same	Same
Cullinet	-	-	Same	Same	Same	Same	Same

APPENDIX A: QUESTIONNAIRE

SOFTWARE TERMS AND CONDITIONS STUDY

INPUT is studying changes and trends that are occuring in the terms and conditions associated with software products, both as they are marketed with hardware and as they are available separately. Most of the questions refer to public information, but if any of the information that we are requesting is proprietary to your company, please indicate that fact.

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(1) (COMPLETE PRIOR TO INTERVIEW)						
Hardware Vendor ?	1					
Software Only Vendor ?	2					
(2) In which of the following areas do you offer software products ?						
A. OPERATING SYSTEMS: Including security, ISO-like interactive, communication or data access method, and job entry.		3				4
B. SYSTEMS SUPPORT: including systems mgmt. installation mgmt., network/distributed mgmt., and utilities.			5			6
C. APPLICATION SUPPORT: including DB/DC, query/report writers, and application development generators, compilers, assemblers, and sort/merge utilities.				7		8
D. APPLICATION PACKAGES.					9	10
(3) Are all your products marketed under the same terms and conditions ?						
GO TO Q5 — YES	11					
CONTINUE — NO	12					
TERMINATE — DON'T KNOW	13					
(4) What are the major differences ?						
(INTERVIEWER PROMPT) FOR THE FOLLOWING QUESTIONS HAVE THE INTERVIEWEE INDICATE TO WHICH OF THE FOUR PRODUCT AREAS THE PARTICULAR RESPONSE APPLIES						

	ALL PROD.	OPER. SYST.	APPL. SYST.	APPL. SUPP.	NO/ PKGE.	NONE.
LICENSING						
(5) Are your software products offered for a separate license fee, included in the hardware price, or both methods ?						
SEPARATE LICENSE	14	15	16	17	18	19
INCLUDED IN HARDWARE	20	21	22	23	24	25
(INTERVIEWER PROMPT) IF NO SOFTWARE IS OFFERED FOR A SEPARATE LICENSE FEE GO TO Q35						
(6a) Do you offer a LEASE type of license ? That is the customer makes regular payments for a fixed period of time after which the license may be renewed for a further fixed period of time.						
CONTINUE — YES	26	27	28	29	30	31
GO TO Q8 — NO	32	33	34	35	36	37
GO TO Q8 — DON'T KNOW	38	39	40	41	42	43
(6b) What LEASE periods are available ?						
1 YEAR	44	45	46	47	48	49
2 YEARS	50	51	52	53	54	55
3 YEARS	56	57	58	59	60	61
4 YEARS	62	63	64	65	66	67
5 YEARS	68	69	70	71	72	73
OTHER	74	75	76	77	78	79

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(7a) Do you offer a lease type of license where the payment is made up front ?						
YES	80	81	82	83	84	85
NO	86	87	88	89	90	91
DON'T KNOW	92	93	94	95	96	97
(7b) What lease periods are available ?						
1 YEAR	98	99	100	101	102	103
2 YEARS	104	105	106	107	108	109
3 YEARS	110	111	112	113	114	115
4 YEARS	116	117	118	119	120	121
5 YEARS	122	123	124	125	126	127
OTHER	128	129	130	131	132	133
(8) Do you offer a RENTAL type of license ? That is the customer makes regular payments as long as the software product is installed.						
YES — CONTINUE	134	135	136	137	138	139
NO — GO TO Q12	140	141	142	143	144	145
DON'T KNOW — GO TO Q12	146	147	148	149	150	151
(9) Is it a MONTHLY or an ANNUAL payment for the RENTAL option ?						
MONTHLY	152	153	154	155	156	157
ANNUAL	158	159	160	161	162	163
OTHER	164	165	166	167	168	169

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(10a) Is there an INITIAL LICENSE FEE in addition to the continuous payments?						
CONTINUE — YES	170	171	172	173	174	175
GO TO Q12 — NO	176	177	178	179	180	181
GO TO Q12 — DON'T KNOW	182	183	184	185	186	187
(10b) What is the relationship (multiplier) between the initial license fee and the continuous payments?						
1 - 2 months	188	189	190	191	192	193
3 - 4 months	194	195	196	197	198	199
5 - 6 months	200	201	202	203	204	205
7 - 8 months	206	207	208	209	210	211
9 -10 months	212	213	214	215	216	217
Other	218	219	220	221	222	223
(11) If and when the user installs a significant new upgrade or enhancement which of the following apply?						
PAY INITIAL CHARGE AGAIN	224	225	226	227	228	229
PAY REDUCED INITIAL CHARGE	230	231	232	233	234	235
PAY NO INITIAL CHARGE	236	237	238	239	240	241

LICENSING	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(12) Do you offer a USAGE PRICING type of license? That is the price varies with some measure of the customer's use of the product.						
CONTINUE — YES	242	243	244	245	246	247
GO TO Q14 — NO	248	249	250	251	252	253
GO TO Q14 — DON'T KNOW	254	255	256	257	258	259
(13a) How do you USAGE PRICE?						
Based on TYPE OF OPERATING SYSTEM	260	261	262	263	264	265
NUMBER OF TERMINALS	266	267	268	269	270	271
NUMBER OF TRANSACTIONS	272	273	274	275	276	277
SIZE OF PROCESSOR	278	279	280	281	282	283
OTHER (Please explain)	284	285	286	287	288	289
(13b) Do you offer USAGE PRICING for all the licensing arrangements that you offer?						
LEASE	290	291	292	293	294	295
RENTAL	296	297	298	299	300	301
PAID-UP	302	303	304	305	306	307
ONE-TIME CHARGE	308	309	310	311	312	313

(Circle only for a "YES" answer).

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(14) Do you offer a PAID UP type of license? That is the customer makes regular payments for a fixed time period after which he has a perpetual license?						
YES	314	315	316	317	318	319
NO	320	321	322	323	324	325
DON'T KNOW	326	327	328	329	330	331
(15) Do you offer a ONE TIME CHARGE type of license? That is the customer makes a single payment for the license.						
YES	332	333	334	335	336	337
NO (Go to question 23)	338	339	340	341	342	343
DON'T KNOW	344	345	346	347	348	349

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
LICENSING						
(INTERVIEWER PROMPT) If the response to either (14) or (15) is YES ask questions (16) (17) (18) (19) (20) and (21)						
(16) Who retains the rights to the code once the customer pays his full charge?						
VENDOR	350	351	352	353	354	355
CUSTOMER	356	357	358	359	360	361
(17) Once the customer has paid the full amount for the full amount for the code and he no longer wishes to use it, can he resell to another user thereby making a "used market" for software?						
YES	362	363	364	365	366	367
NO	368	369	370	371	372	373
DON'T KNOW	374	375	376	377	378	379
(18) What restrictions are placed on the resale?						

		ALL PROD.	OPER. SYST.	APPL. SYST.	APPL. SUPP.	APPL. SUPP.	NO/ PKGE. NONE.
(19) Will you buy back the code yourself?							
CONTINUE	YES	380	381	382	383	384	385
GO TO Q21	NO	386	387	388	389	390	391
GO TO Q21	DON'T KNOW	392	393	394	395	396	397

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
LICENSING						
(20) At what percentage of the original price will you buy back the code?						
ENTER PERCENTAGE	398	399	400	401	402	403
DON'T KNOW	404	405	406	407	408	409
(21a) What incentives exist to get this customer to upgrade to a new version? For example do you offer a credit against the purchase price?						
CREDIT ENTER PERCENTAGE	410	411	412	413	414	415
OTHER	416	417	418	419	420	421
NO NEW FUNCTION AVAILABLE	422	423	424	425	426	427
(21b) Will you discount your prices to encourage the customer to migrate to another product line?						
YES	428	429	430	431	432	433
NO	434	435	436	437	438	439
DON'T KNOW	440	441	442	443	444	445

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(22) Do you offer any OTHER type of license?						
YES	446	447	448	449	450	451
NO	452	453	454	455	456	457
DON'T KNOW	458	459	460	461	462	463
(23a) When both lease/rental and a one time charge are offered, about what percent of your sales are one time charge?						
ENTER PERCENTAGE	464	465	466	467	468	469
DON'T KNOW	470	471	472	473	474	475
(23b) When both Lease/Rental and One-Time Charge are offered on a product, generally what is the relationship (multiplier) between the two?						
Multiplier (in months)	476	477	478	479	480	481

LICENSING		ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(24) Where there is a purchase or one time charge option and a lease/rental option is there an accrual of purchase credits?							
CONTINUE	YES	482	483	484	485	486	487
GO TO Q26	NO	488	489	490	491	492	493
GO TO Q26	DON'T KNOW	494	495	496	497	498	499
(25) What are the details of the method of accrual?							
PERCENTAGE OF PAYMENTS ENTER PERCENTAGE		500	501	502	503	504	505
MAXIMUM % ACCRUABLE ENTER PERCENTAGE		506	507	508	509	510	511
MAXIMUM ACCRUAL MONTHS ENTER PERCENTAGE		512	513	514	515	516	517
(26a) Do you offer any discounts or other financial incentives?							
CONTINUE	YES	518	519	520	521	522	523
GO TO Q33	NO	524	525	526	527	528	529
GO TO Q33	DON'T KNOW	530	531	532	533	534	535

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(26b) Are there non-financial discounts offered in all licensing arrangements?						
LEASE	536	537	538	539	540	541
RENTAL	542	543	544	545	546	547
PAID-UP	548	549	550	551	552	553
ONE-TIME CHARGE	554	555	556	557	558	559
USAGE	560	561	562	563	564	565
(27) Do you offer volume discounts?						
YES	566	567	568	569	570	571
NO	572	573	574	575	576	577
DON'T KNOW	578	579	580	581	582	583

What is the discount schedule?

_____

_____

_____

LICENSING	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKCE.	NO/ NONE.
(28) Do you offer multiple sites discounts?						
YES	584	585	586	587	588	589
NO	590	591	592	593	594	595
DON'T KNOW	596	597	598	599	600	601
What is the discount schedule?						
(29a) Do you offer multiple systems discounts?						
YES	602	603	604	605	606	607
NO	608	609	610	611	612	613
DON'T KNOW	614	615	616	617	618	619
What is the discount schedule?						
(29b) Do you offer a single-fee site license? (One fee for a single geographic location regardless of the number of machines installed.)						
YES	620	621	622	623	624	625
NO	626	627	628	629	630	631
DON'T KNOW	632	633	634	635	636	637
HOW?						

	ALL PROD.	OPER. SYST.	APPL. SYST.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(30) Do you offer prepayment discounts?						
YES	638	639	640	641	642	643
NO	644	645	646	647	648	649
DON'T KNOW	650	651	652	653	654	655
What is the discount schedule?						
(31) Do you offer any other form of discount?						
YES	656	657	658	659	660	661
NO	662	663	664	665	666	667
DON'T KNOW	668	669	670	671	672	673

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
LICENSING						
(32a) When multiple licenses are to be installed with a discount is the user required to copy the media?						
CONTINUE — YES	674	675	676	677	678	679
GO TO Q — NO	680	681	682	683	684	685
GO TO Q — DON'T KNOW	686	687	688	689	690	691
(32b) Do you offer price protection?						
LEASE	692	693	694	695	696	697
RENTAL	698	699	700	701	702	703
PAID-UP	704	705	706	707	708	709
USAGE	710	711	712	713	714	715
(Cirle only for a "YES" answer.)						
(33) To whom is the software licensed?						
CPU SERIAL #	716	717	718	719	720	721
SYSTEM TYPE (any CPU of the same type)	722	723	724	725	726	727
USER SITE	728	729	730	731	732	733
USER FIRM	734	735	736	737	738	739
OTHER	740	741	742	743	744	745
(34) How do you enforce licensing restrictions?						

	ALL PROD.	OPER. SYST. SUPP.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(35) After a customer is using a product how do you get new upgrades or enhancements to that user? (READ LIST)						
NO CHARGE ENHANCEMENTS	746	747	748	749	750	751
CHARGED FOR ENHANCEMENTS	752	753	754	755	756	757
IN MAINTENANCE	758	759	760	761	762	763
TREATED AS A NEW PRODUCT	764	765	766	767	768	769
OR VERSION WITH A NEW CHARGE						
OTHER	770	771	772	773	774	775
NO NEW FUNCTION PLANNED	776	777	778	779	780	781

LICENSING	ALL PROD. SYST.	OPER. SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(36) Under what circumstances do you deliver source code? (READ LIST)					
GO TO Q38 NEVER	782	783	784	785	786	787
ON A NEED TO KNOW BASIS	788	789	790	791	792	793
FOR AN EXTRA FEE	794	795	796	797	798	799
NORMALLY	800	801	802	803	804	805
(37) If source is delivered, in what form? (READ LIST)						
MACHINE READABLE	806	807	808	809	810	811
MICROFICHE	812	813	814	815	816	817
PAPER	818	819	820	821	822	823
OTHER	824	825	826	827	828	829
	830	831	832	833	834	835
(38) Is your software protected such as by copyright or trade secret?						
COPYRIGHT	836	837	838	839	840	841
TRADE SECRET	842	843	844	845	846	847
OTHER	848	849	850	851	852	853
NONE GO TO Q40	854	855	856	857	858	859
(39) How do you enforce this copyright, trade secret, or other protection?						

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(40) How many copies of related software documentation are provided free with the software?						
FREE DOCUMENTATION ENTER NUMBER OF COPIES	860 ___	861 ___	862 ___	863 ___	864 ___	865 ___

	ALL PROD.	OPER. SYST. SUPP.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
REDISTRIBUTION						
(41) Is there any difference in price and terms and conditions for software as you apply them to service vendors (remote computing service and/or batch service) versus an end user?						
YES	866	867	868	869	870	871
GO TO Q43 — NO	872	873	874	875	876	877
GO TO Q43 — DON'T KNOW	878	879	880	881	882	883
(42) Please explain the differences?						
FOR HARDWARE VENDORS ASK QUESTIONS 43 THROUGH 48 FOR SOFTWARE ONLY VENDORS AKS QUESTIONS 49 THROUGH 54						
(HARDWARE VENDORS)						
(43) Do you allow software vendors, OEMs, or turn-key vendors to redistribute your software?						
YES	884	885	886	887	888	889
GO TO Q55 — NO	890	891	892	893	894	895
GO TO Q55 — DON'T KNOW	896	897	898	899	900	901

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(HARDWARE VENDORS)						
(44) Do you allow a discount to the software redistributor?						
DISCOUNT ENTER PERCENTAGE	902 ___	903 ___	904 ___	905 ___	906 ___	907 ___

REDISTRIBUTION	ALL PROD.	OPER. SYST. SUPP.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(HARDWARE VENDORS)						
(45) Must the software redistributor enhance or add value to your software?						
YES	908	909	910	911	912	913
NO	914	915	916	917	918	919
DON'T KNOW	920	921	922	923	924	925
(HARDWARE VENDORS)						
(46) Must any new code added by the redistributor run on your hardware?						
YES	926	927	928	929	930	931
NO	932	933	934	935	936	937
DON'T KNOW	938	939	940	941	942	943
(HARDWARE VENDORS)						
(47) Is the redistributor allowed to enhance your software to run on another vendor's hardware?						
YES	944	945	946	947	948	949
NO	950	951	952	953	954	955
DON'T KNOW	956	957	958	959	960	961
(HARDWARE VENDORS)						
(48) Is the license for the redistributed software between you and the end user?						
YES	962	963	964	965	966	967
NO	968	969	970	971	972	973
DON'T KNOW	974	975	976	977	978	979

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
REDISTRIBUTION						
(SOFTWARE VENDORS ONLY)						
(49) Do you redistribute software from hardware vendor?						
YES	980	981	982	983	984	985
NO — GO TO Q55	986	987	988	989	990	991
DON'T KNOW — GO TO Q55	992	993	994	995	996	997
(SOFTWARE VENDORS ONLY)						
(50) Do you receive a discount on the software that you redistribute?						
DISCOUNT ENTER PERCENTAGE	998 ___	999 ___	1000 ___	1001 ___	1002 ___	1003 ___
(SOFTWARE VENDORS ONLY)						
(51) In order to redistribute are you required to enhance or add value to the software?						
YES	1004	1005	1006	1007	1008	1009
NO	1010	1011	1012	1013	1014	1015
DON'T KNOW	1016	1017	1018	1019	1020	1021

	ALL PROD.	OPER. SYST. SUPP.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(SOFTWARE VENDORS ONLY)						
(52) Must the new enhanced code run on the vendor's hardware?						
YES	1022	1023	1024	1025	1026	1027
NO	1028	1029	1030	1031	1032	1033
DON'T KNOW	1034	1035	1036	1037	1038	1039

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
REDISTRIBUTION						
(SOFTWARE VENDORS ONLY)						
(53) Are you allowed to enhance the software to run on another vendor's hardware?						
YES	1040	1041	1042	1043	1044	1045
NO	1046	1047	1048	1049	1050	1051
DON'T KNOW	1052	1053	1054	1055	1056	1057
(SOFTWARE VENDORS ONLY)						
(54) With whom does the end user have the software license?						
YOU	1058	1059	1060	1061	1062	1063
HARDWARE VENDOR	1064	1065	1066	1067	1068	1069
INSTALLATION						
(55) In what form is installation service available?						
FREE, PART OF LICENSE	1070	1071	1072	1073	1074	1075
SEPARATELY CHARGED	1076	1077	1078	1079	1080	1081
NOT AVAILABLE GO TO Q58	1082	1083	1084	1085	1086	1087
(56) How many days of free installation support do you provide?						
DAYS ENTER NUMBER	1088 ___	1089 ___	1090 ___	1091 ___	1092 ___	1093 ___

INSTALLATION	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(57) Please explain any variations by product.						
(58) Is there an acceptance or test period?						
YES	1094	1095	1096	1097	1098	1099
GO TO Q60 NO	1100	1101	1102	1103	1104	1105
GO TO Q60 DON'T KNOW	1106	1107	1108	1109	1110	1111
(59) How long is the acceptance period in days?						
DAYS ENTER NUMBER	1112 ___	1113 ___	1114 ___	1115 ___	1116 ___	1117 ___
(60) If you warrant the product do require that you install the software?						
YES	1118	1119	1120	1121	1122	1123
NO	1124	1125	1126	1127	1128	1129
DON'T KNOW	1130	1131	1132	1133	1134	1135

		ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(61) As a rule do you make modifications to your product to meet unique user needs?							
	YES	1136	1137	1138	1139	1140	1141
GO TO Q64	NO	1142	1143	1144	1145	1146	1147
GO TO Q64	DON'T KNOW	1148	1149	1150	1151	1152	1153

	ALL PROD.	OPER. SYST.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
INSTALLATION					
(62) Do you maintain these user unique modifications to your product?					
YES	1154	1155	1156	1157	1158	1159
NO	1160	1161	1162	1163	1164	1165
DON'T KNOW	1166	1167	1168	1169	1170	1171
(63) Are these modifications charged for with an extra fee?						
YES	1172	1173	1174	1175	1176	1177
NO	1178	1179	1180	1181	1182	1183
DON'T KNOW	1184	1185	1186	1187	1188	1189
MAINTENANCE						
WE NOW WANT TO DISCUSS HOW SOFTWARE MAINTENANCE IS CHARGED FOR EACH METHOD OF LICENSE PAYMENT						
(64a) First of all, what is included in software maintenance?						
-LOCAL ASSISTANCE						
-PHONE ASSISTANCE (HOT-LINE)						
-MAKING AVAILABLE FIXES TO KNOWN PROBLEMS						
-INSTALLATION OF FIXES						
-FUNCTIONAL ENHANCEMENTS						
-OTHER						

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(64b) Maintenance charge for LEASE agreement?						
IN LICENSE FEE	1190	1191	1192	1193	1194	1195
IN LICENSE FEE 1st 12 MONTHS	1196	1197	1198	1199	1200	1201
SEPARATELY CHARGED FOR	1202	1203	1204	1205	1206	1207
and is the maintenance contract						
REQUIRED	1208	1209	1210	1211	1212	1213
OPTIONAL	1214	1215	1216	1217	1218	1219

MAINTENANCE	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(65) Maintenance for CONTINUOUS PAYMENT?						
IN LICENSE FEE	1220	1221	1222	1223	1224	1225
IN LICENSE FEE 1st 12 MONTHS	1226	1227	1228	1229	1230	1231
SEPARATELY CHARGED FOR	1232	1233	1234	1235	1236	1237
and is the maintenance contract						
REQUIRED	1238	1239	1240	1241	1242	1243
OPTIONAL	1244	1245	1246	1247	1248	1249
(66) Maintenance for USAGE PRICING?						
IN LICENSE FEE	1250	1251	1252	1253	1254	1255
IN LICENSE FEE 1st 12 MONTHS	1256	1257	1258	1259	1260	1261
SEPARATELY CHARGED FOR						
and is the maintenance contract						
REQUIRED	1262	1263	1264	1265	1266	1267
OPTIONAL	1268	1269	1270	1271	1272	1273
(67) Maintenance for PAID UP license?						
IN LICENSE FEE	1274	1275	1276	1277	1278	1779
IN LICENSE FEE 1st 12 MONTHS	1280	1281	1282	1283	1284	1285
SEPARATELY CHARGED FOR	1286	1287	1288	1289	1290	1291
and is the maintenance contract						
REQUIRED	1292	1293	1294	1295	1296	1297
OPTIONAL	1298	1299	1300	1301	1302	1303

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(68) Maintenance for One Time Charge/Purchase?						
IN LICENSE FEE	1304	1305	1306	1307	1308	1309
IN LICENSE FEE 1st 12 MONTHS	1310	1311	1312	1313	1314	1315
SEPARATELY CHARGED FOR	1316	1317	1318	1319	1320	1321
and is the maintenance contract						
REQUIRED	1322	1323	1324	1325	1326	1327
OPTIONAL	1328	1329	1330	1331	1332	1333

MAINTENANCE	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(69) Maintenance for OTHER?						
IN LICENSE FEE	1334	1335	1336	1337	1338	1339
IN LICENSE FEE 1st 12 MONTHS	1340	1341	1342	1343	1344	1345
SEPARATELY CHARGED FOR	1346	1347	1348	1349	1350	1351
and is the maintenance contract						
REQUIRED	1352	1353	1354	1355	1356	1357
OPTIONAL	1358	1359	1360	1361	1362	1363
(70) When a customer has aquired software by a payment method such as ONE TIME CHARGE or PAID UP license which does not include maintenance beyond the first year, and you offer a separate maintenance agreement, what is the cost of a 12 month maintenance agreement?						
COST	1364	1365	1366	1367	1368	1369
ENTER $ AMOUNT	____	____	____	____	____	____
(71) For such a customer, what does maintenance include?						
FIXES TO KNOW PROBLEMS	1370	1371	1372	1373	1374	1375
FUNCTIONAL ENHANCEMENTS	1376	1377	1378	1379	1380	1381
OTHER	1382	1383	1384	1385	1386	1387

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(72) What differentiates an enhancement included in the maintenance for a ONE TIME CHARGE/PAID UP customer from a new product or version which has a new price? For example SIZE, LINES OF CODE etc.						
(73) Is there a minimum term for maintenance ?						
YES	1387	1388	1389	1390	1391	1392
NO	1393	1394	1395	1396	1397	1398
DON'T KNOW	1399	1400	1401	1402	1403	1404
(74) If applicable, is a hardware maintenance contract a prerequisite for a software maintenance contract ?						
YES	1405	1406	1407	1408	1409	1410
NO	1411	1412	1413	1414	1415	1416
DON'T KNOW	1417	1418	1419	1420	1421	1422
(75) How long may a user be covered by a maintenance contract after a new release or version is available if he does not upgrade ?						
NOT COVERED	1423	1424	1425	1426	1427	1428
12 MONTHS	1429	1430	1431	1432	1433	1434
24 MONTHS	1435	1436	1437	1438	1439	1440
OTHER	1441	1442	1443	1444	1445	1446

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
MAINTENANCE						
(76) If an on-site maintenance contract is offered, what are contractual response times ?						
NOT OFFERED	1447	1448	1449	1450	1451	1452
HOURS	1453	1454	1455	1456	1457	1458
ENTER NUMBER						
DAYS	1459	1460	1461	1462	1463	1464
ENTER NUMBER						
(77) When a user sends in a trouble report, in what form does he get a fix returned ? (NOT EXCLUSIVE)						
ON SITE AID	1465	1466	1467	1468	1469	1470
TELEPHONE	1471	1472	1473	1474	1475	1476
LETTER	1477	1478	1479	1480	1481	1482
NEWSLETTER	1483	1484	1485	1486	1487	1488
NEXT REGULAR MTNCE RELEASE	1489	1490	1491	1492	1493	1494
OTHER	1495	1496	1497	1498	1499	1500
(78) Do all users get the problem fix ?						
YES	1501	1502	1503	1504	1505	1506
NO	1507	1508	1509	1510	1511	1512
DON'T KNOW	1513	1514	1515	1516	1517	1518

MAINTENANCE	ALL PROD.	OPER. SYST.	APPL. SYST.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(79) Who applies the fix ?						
VENDOR	1519	1520	1521	1522	1523	1524
CUSTOMER	1525	1526	1527	1528	1529	1530
(80) What is the average trouble report turn-a-round time from the user's point of vew in days ?						
DAYS ENTER NUMBER	1531	1532	1533	1534	1535	1536
(81) If a user has multiple licenses for the same software product, which of the following apply ? (NOT EXCLUSIVE)						
MAINTENANCE PRICE DISCOUNT	1537	1538	1539	1540	1541	1542
CENTRAL MAINTENANCE PLAN where the users present an interface to your firm that resembles a single license.	1543	1544	1545	1546	1547	1548
NOT APPLICABLE	1549	1550	1551	1552	1553	1554

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
MAINTENANCE						
(82A) If on-site assistance/maintenance is offered what is the price of this service in dollars per hour ?						
NOT OFFERED	1555	1556	1557	1558	1559	1560
PRICE	1561	1562	1563	1564	1565	1566
ENTER $ PER HOUR	___	___	___	___	___	___
(82B) If on-site assistance is offered and separately priced, is it:						
FIXED PRICE BY PRODUCT ?	1567	1568	1569	1570	1571	1572
FIXED PRICE BY GROUP OF PRODUCTS ?	1573	1574	1575	1576	1577	1578
FIXED PRICE BY HOUR ?	1579	1580	1581	1582	1583	1584
PRICED BY THE PROBLEM ?	1585	1586	1587	1588	1589	1590
OTHER ?	1591	1592	1593	1594	1595	1596
(82C) If telephone assistance is offered and seperately priced, is it:						
FIXED PRICE BY PRODUCT ?	1597	1598	1599	1600	1601	1602
FIXED PRICE BY GROUP OF PRODUCTS ?	1603	1604	1605	1606	1607	1608
PRICED BY THE HOUR ?	1609	1610	1611	1612	1613	1614
PRICED BY THE PROBLEM ?	1615	1616	1617	1618	1619	1620
OTHER ?	1621	1622	1623	1624	1625	1626

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
MAINTENANCE						
(83) Do your sales people sell both hardware and software? (Hardware vendors only) YES (GO TO 84) NO (GO TO 85) DON'T KNOW (GO TO 85)						
(84) Please explain what software products are sold. _____ _____ _____ _____						

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
TRENDS						
(85) What percent change do you believe you will see in prices for your software products?						
PERCENT CHANGE (+ or -) BALANCE OF 1984 _____%						
1985 _____%						
1986 _____%						
(86A) Based on how closely the following pricing objectives match your objectives when pricing your software, please rate the following on a scale of 1 to 5 where 5 is an excellent match and 1 is irrelevant.						
A. Target profit return _____						
B. Attain satisfactory profit _____						
C. Maximize profits _____						
D. Maintain market share _____						
E. Increase market share _____						
F. Increase revenues _____						
G. Meet competition price _____						
H. Value price _____						
(86B) Which is most important ? _____						

TRENDS	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(87A) There are a number of cost factors that contribute to the price of products and services. Please rate the following in terms of their importance to your software pricing policies (1 = low, 5 = high_						
A. Sales/marketing cost _____						
B. Customer support cost _____						
C. Research & Development cost _____						
D. Administrative overhead cost _____						
E. Hardware cost _____						
F. Training and education _____						
G. Profit allocation _____						
H. Other (describe) _____						
_____						
_____						
_____						
(87B) Which is the most important ? Why ? _____						
_____						
_____						

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
TRENDS						
(88) In summary, what future changes in software terms and conditions do you anticipate in the following areas, and why ?						
Licensing						
_____						
_____						
_____						
_____						
Maintenance						
_____						
_____						
_____						
_____						
(89) How would you estimate the future usage of the following licensing methods:						
Decreased Use / Same / Increased						
Lease						
Rental						
Paid Up						
One Time Charge						
Usage						

GENERAL

THANK YOU FOR YOUR COOPERATION
IN ANSWERING OUR QUESTIONS

VENDOR IDENTIFICATION

_____
_____
_____
_____

SOFTWARE TERMS AND CONDITIONS STUDY

INPUT is studying changes and trends that are occuring in the terms and conditions associated with software products, both as they are marketed with hardware and as they are available separately. Most of the questions refer to public information, but if any of the information that we are requesting is proprietary to your company, please indicate that fact.

	ALL PROD.	OPER. SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(1) (COMPLETE PRIOR TO INTERVIEW)					
Hardware Vendor ?	1				
Software Only Vendor ?	2				
(2) In which of the following areas do you offer software products ?					
A. OPERATING SYSTEMS: Including security, ISO-like interactive, communication or data access method, and job entry.		3			4
B. SYSTEMS SUPPORT: including systems mgmt. installation mgmt., network/distributed mgmt., and utilities.			5		6
C. APPLICATION SUPPORT: including DB/DC, query/report writers, and application development generators, compilers, assemblers, and sort/merge utilities.				7	8
D. APPLICATION PACKAGES.				9	10
_____					
_____					
_____					
(3) Are all your products marketed under the same terms and conditions ?					
GO TO Q5 — YES	11				
CONTINUE — NO	12				
TERMINATE — DON'T KNOW	13				
(4) What are the major differences ?					
_____					
_____					
_____					
(INTERVIEWER PROMPT) FOR THE FOLLOWING QUESTIONS HAVE THE INTERVIEWEE INDICATE TO WHICH OF THE FOUR PRODUCT AREAS THE PARTICULAR RESPONSE APPLIES					

	ALL PROD.	OPER. SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
LICENSING					
(5) Are your software products offered for a separate license fee, included in the hardware price, or both methods ?					
SEPARATE LICENSE	14	15	16	17	18	19
INCLUDED IN HARDWARE	20	21	22	23	24	25
(INTERVIEWER PROMPT) IF NO SOFTWARE IS OFFERED FOR A SEPARATE LICENSE FEE GO TO Q35						
(6a) Do you offer a LEASE type of license ? That is the customer makes regular payments for a fixed period of time after which the license may be renewed for a further fixed period of time.						
CONTINUE — YES	26	27	28	29	30	31
GO TO Q8 — NO	32	33	34	35	36	37
GO TO Q8 — DON'T KNOW	38	39	40	41	42	43
(6b) What LEASE periods are available ?						
1 YEAR	44	45	46	47	48	49
2 YEARS	50	51	52	53	54	55
3 YEARS	56	57	58	59	60	61
4 YEARS	62	63	64	65	66	67
5 YEARS	68	69	70	71	72	73
OTHER	74	75	76	77	78	79

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(7a) Do you offer a lease type of license where the payment is made up front ?						
YES	80	81	82	83	84	85
NO	86	87	88	89	90	91
DON'T KNOW	92	93	94	95	96	97
(7b) What lease periods are available ?						
1 YEAR	98	99	100	101	102	103
2 YEARS	104	105	106	107	108	109
3 YEARS	110	111	112	113	114	115
4 YEARS	116	117	118	119	120	121
5 YEARS	122	123	124	125	126	127
OTHER	128	129	130	131	132	133
(8) Do you offer a RENTAL type of license ? That is the customer makes regular payments as long as the software product is installed.						
YES — CONTINUE	134	135	136	137	138	139
NO — GO TO Q12	140	141	142	143	144	145
DON'T KNOW — GO TO Q12	146	147	148	149	150	151
(9) Is it a MONTHLY or an ANNUAL payment for the RENTAL option ?						
MONTHLY	152	153	154	155	156	157
ANNUAL	158	159	160	161	162	163
OTHER	164	165	166	167	168	169

	ALL PROD.	OPER. SYST.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(10a) Is there an INITIAL LICENSE FEE in addition to the continuous payments?					
CONTINUE — YES	170	171	172	173	174	175
GO TO Q12 — NO	176	177	178	179	180	181
GO TO Q12 — DON'T KNOW	182	183	184	185	186	187
(10b) What is the relationship (multiplier) between the initial license fee and the continuous payments?						
1 - 2 months	188	189	190	191	192	193
3 - 4 months	194	195	196	197	198	199
5 - 6 months	200	201	202	203	204	205
7 - 8 months	206	207	208	209	210	211
9 -10 months	212	213	214	215	216	217
Other	218	219	220	221	222	223
(11) If and when the user installs a significant new upgrade or enhancement which of the following apply?						
PAY INITIAL CHARGE AGAIN	224	225	226	227	228	229
PAY REDUCED INITIAL CHARGE	230	231	232	233	234	235
PAY NO INITIAL CHARGE	236	237	238	239	240	241

LICENSING	ALL PROD.	OPER. SYST. SUPP.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(12) Do you offer a USAGE PRICING type of license? That is the price varies with some measure of the customer's use of the product.						
CONTINUE — YES	242	243	244	245	246	247
GO TO Q14 — NO	248	249	250	251	252	253
GO TO Q14 — DON'T KNOW	254	255	256	257	258	259
(13a) How do you USAGE PRICE?						
Based on TYPE OF OPERATING SYSTEM	260	261	262	263	264	265
NUMBER OF TERMINALS	266	267	268	269	270	271
NUMBER OF TRANSACTIONS	272	273	274	275	276	277
SIZE OF PROCESSOR	278	279	280	281	282	283
OTHER (Please explain)	284	285	286	287	288	289
(13b) Do you offer USAGE PRICING for all the licensing arrangements that you offer?						
LEASE	290	291	292	293	294	295
RENTAL	296	297	298	299	300	301
PAID-UP	302	303	304	305	306	307
ONE-TIME CHARGE	308	309	310	311	312	313

(Circle only for a "YES" answer).

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(14) Do you offer a PAID UP type of license? That is the customer makes regular payments for a fixed time period after which he has a perpetual license?						
YES	314	315	316	317	318	319
NO	320	321	322	323	324	325
DON'T KNOW	326	327	328	329	330	331
(15) Do you offer a ONE TIME CHARGE type of license? That is the customer makes a single payment for the license.						
YES	332	333	334	335	336	337
NO (Go to question 23)	338	339	340	341	342	343
DON'T KNOW	344	345	346	347	348	349

	ALL PROD.	OPER. SYST. SUPP.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
LICENSING						
(INTERVIEWER PROMPT) If the response to either (14) or (15) is YES ask questions (16) (17) (18) (19) (20) and (21)						
(16) Who retains the rights to the code once the customer pays his full charge?						
VENDOR	350	351	352	353	354	355
CUSTOMER	356	357	358	359	360	361
(17) Once the customer has paid the full amount for the full amount for the code and he no longer wishes to use it, can he resell to another user thereby making a "used market" for software?						
YES	362	363	364	365	366	367
NO	368	369	370	371	372	373
DON'T KNOW	374	375	376	377	378	379
(18) What restrictions are placed on the resale?						

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(19) Will you buy back the code yourself?						
CONTINUE — YES	380	381	382	383	384	385
GO TO Q21 — NO	386	387	388	389	390	391
GO TO Q21 — DON'T KNOW	392	393	394	395	396	397

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
LICENSING						
(20) At what percentage of the original price will you buy back the code?						
ENTER PERCENTAGE	398	399	400	401	402	403
DON'T KNOW	404	405	406	407	408	409
(21a) What incentives exist to get this customer to upgrade to a new version? For example do you offer a credit against the purchase price?						
CREDIT ENTER PERCENTAGE	410	411	412	413	414	415
OTHER	416	417	418	419	420	421
NO NEW FUNCTION AVAILABLE	422	423	424	425	426	427
(21b) Will you discount your prices to encourage the customer to migrate to another product line?						
YES	428	429	430	431	432	433
NO	434	435	436	437	438	439
DON'T KNOW	440	441	442	443	444	445

	ALL PROD.	OPER. SYST. SYST.	APPL. SUPP.	APPL. SUPP.	PKGE.	NO/ NONE.
(22) Do you offer any OTHER type of license?						
YES	446	447	448	449	450	451
NO	452	453	454	455	456	457
DON'T KNOW	458	459	460	461	462	463
(23a) When both lease/rental and a one time charge are offered, about what percent of your sales are one time charge?						
ENTER PERCENTAGE	464	465	466	467	468	469
DON'T KNOW	470	471	472	473	474	475
(23b) When both Lease/Rental and One-Time Charge are offered on a product, generally what is the relationship (multiplier) between the two?						
Multiplier (in months)	476	477	478	479	480	481

LICENSING		ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(24) Where there is a purchase or one time charge option and a lease/rental option is there an accrual of purchase credits?							
CONTINUE	YES	482	483	484	485	486	487
GO TO Q26	NO	488	489	490	491	492	493
GO TO Q26	DON'T KNOW	494	495	496	497	498	499
(25) What are the details of the method of accrual?							
PERCENTAGE OF PAYMENTS ENTER PERCENTAGE		500	501	502	503	504	505
MAXIMUM % ACCRUABLE ENTER PERCENTAGE		506	507	508	509	510	511
MAXIMUM ACCRUAL MONTHS ENTER PERCENTAGE		512	513	514	515	516	517
(26a) Do you offer any discounts or other financial incentives?							
CONTINUE	YES	518	519	520	521	522	523
GO TO Q33	NO	524	525	526	527	528	529
GO TO Q33	DON'T KNOW	530	531	532	533	534	535

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(26b) Are there non-financial discounts offered in all licensing arrangements?						
LEASE	536	537	538	539	540	541
RENTAL	542	543	544	545	546	547
PAID-UP	548	549	550	551	552	553
ONE-TIME CHARGE	554	555	556	557	558	559
USAGE	560	561	562	563	564	565
(27) Do you offer volume discounts?						
YES	566	567	568	569	570	571
NO	572	573	574	575	576	577
DON'T KNOW	578	579	580	581	582	583

What is the discount schedule?

_____

_____

_____

LICENSING	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(28) Do you offer multiple sites discounts?						
YES	584	585	586	587	588	589
NO	590	591	592	593	594	595
DON'T KNOW	596	597	598	599	600	601
What is the discount schedule?						
(29a) Do you offer multiple systems discounts?						
YES	602	603	604	605	606	607
NO	608	609	610	611	612	613
DON'T KNOW	614	615	616	617	618	619
What is the discount schedule?						
(29b) Do you offer a single-fee site license? (One fee for a single geographic location regardless of the number of machines installed.)						
YES	620	621	622	623	624	625
NO	626	627	628	629	630	631
DON'T KNOW	632	633	634	635	636	637
HOW?						

	ALL PROD.	OPER. SYST.	APPL. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(30) Do you offer prepayment discounts?						
YES	638	639	640	641	642	643
NO	644	645	646	647	648	649
DON'T KNOW	650	651	652	653	654	655
What is the discount schedule?						
(31) Do you offer any other form of discount?						
YES	656	657	658	659	660	661
NO	662	663	664	665	666	667
DON'T KNOW	668	669	670	671	672	673

LICENSING	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(32a) When multiple licenses are to be installed with a discount is the user required to copy the media?						
CONTINUE — YES	674	675	676	677	678	679
GO TO Q — NO	680	681	682	683	684	685
GO TO Q — DON'T KNOW	686	687	688	689	690	691
(32b) Do you offer price protection?						
LEASE	692	693	694	695	696	697
RENTAL	698	699	700	701	702	703
PAID-UP	704	705	706	707	708	709
USAGE	710	711	712	713	714	715
(Cirle only for a "YES" answer.)						
(33) To whom is the software licensed?						
CPU SERIAL #	716	717	718	719	720	721
SYSTEM TYPE (any CPU of the same type)	722	723	724	725	726	727
USER SITE	728	729	730	731	732	733
USER FIRM	734	735	736	737	738	739
OTHER	740	741	742	743	744	745

(34) How do you enforce licensing restrictions?

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(35) After a customer is using a product how do you get new upgrades or enhancements to that user? (READ LIST)						
NO CHARGE ENHANCEMENTS	746	747	748	749	750	751
CHARGED FOR ENHANCEMENTS	752	753	754	755	756	757
IN MAINTENANCE	758	759	760	761	762	763
TREATED AS A NEW PRODUCT	764	765	766	767	768	769
OR VERSION WITH A NEW CHARGE						
OTHER	770	771	772	773	774	775
NO NEW FUNCTION PLANNED	776	777	778	779	780	781

LICENSING	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(36) Under what circumstances do you deliver source code? (READ LIST)						
GO TO Q38 NEVER	782	783	784	785	786	787
ON A NEED TO KNOW BASIS	788	789	790	791	792	793
FOR AN EXTRA FEE	794	795	796	797	798	799
NORMALLY	800	801	802	803	804	805
(37) If source is delivered, in what form? (READ LIST)						
MACHINE READABLE	806	807	808	809	810	811
MICROFICHE	812	813	814	815	816	817
PAPER	818	819	820	821	822	823
OTHER	824	825	826	827	828	829
	830	831	832	833	834	835
(38) Is your software protected such as by copyright or trade secret?						
COPYRIGHT	836	837	838	839	840	841
TRADE SECRET	842	843	844	845	846	847
OTHER	848	849	850	851	852	853
NONE GO TO Q40	854	855	856	857	858	859
(39) How do you enforce this copyright, trade secret, or other protection?						

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(40) How many copies of related software documentation are provided free with the software?						
FREE DOCUMENTATION ENTER NUMBER OF COPIES	860 ___	861 ___	862 ___	863 ___	864 ___	865 ___

	ALL PROD.	OPER. SYST.	APPL. SYST.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
REDISTRIBUTION						
(41) Is there any difference in price and terms and conditions for software as you apply them to service vendors (remote computing service and/or batch service) versus an end user?						
YES	866	867	868	869	870	871
NO — GO TO Q43	872	873	874	875	876	877
DON'T KNOW — GO TO Q43	878	879	880	881	882	883
(42) Please explain the differences?						
FOR HARDWARE VENDORS ASK QUESTIONS 43 THROUGH 48 FOR SOFTWARE ONLY VENDORS AKS QUESTIONS 49 THROUGH 54						
(HARDWARE VENDORS)						
(43) Do you allow software vendors, OEMs, or turn-key vendors to redistribute your software?						
YES	884	885	886	887	888	889
NO — GO TO Q55	890	891	892	893	894	895
DON'T KNOW — GO TO Q55	896	897	898	899	900	901

	ALL PROD.	OPER. SYST.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(HARDWARE VENDORS)					
(44) Do you allow a discount to the software redistributor?					
DISCOUNT ENTER PERCENTAGE _____	902 ___	903 ___	904 ___	905 ___	906 ___	907 ___

REDISTRIBUTION	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(HARDWARE VENDORS)						
(45) Must the software redistributor enhance or add value to your software?						
YES	908.	909.	910.	911.	912.	913.
NO	914.	915.	916.	917.	918.	919.
DON'T KNOW	920.	921.	922.	923.	924.	925.
(HARDWARE VENDORS)						
(46) Must any new code added by the redistributor run on your hardware?						
YES	926.	927.	928.	929.	930.	931
NO	932.	933.	934.	935.	936.	937
DON'T KNOW	938.	939.	940.	941.	942.	943
(HARDWARE VENDORS)						
(47) Is the redistributor allowed to enhance your software to run on another vendor's hardware?						
YES	944.	945.	946.	947.	948.	949
NO	950.	951.	952.	953.	954.	955
DON'T KNOW	956.	957.	958.	959.	960.	961
(HARDWARE VENDORS)						
(48) Is the license for the redistributed software between you and the end user?						
YES	962.	963.	964.	965.	966.	96
NO	968.	969.	970.	971.	972.	97
DON'T KNOW	974	975	976	977	978	97

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
REDISTRIBUTION						
(SOFTWARE VENDORS ONLY)						
(49) Do you redistribute software from hardware vendor?						
YES	980	981	982	983	984	985
NO — GO TO Q55	986	987	988	989	990	991
DON'T KNOW — GO TO Q55	992	993	994	995	996	997
(SOFTWARE VENDORS ONLY)						
(50) Do you receive a discount on the software that you redistribute?						
DISCOUNT ENTER PERCENTAGE	998 ___	999 ___	1000 ___	1001 ___	1002 ___	1003 ___
(SOFTWARE VENDORS ONLY)						
(51) In order to redistribute are you required to enhance or add value to the software?						
YES	1004	1005	1006	1007	1008	1009
NO	1010	1011	1012	1013	1014	1015
DON'T KNOW	1016	1017	1018	1019	1020	1021

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(SOFTWARE VENDORS ONLY)						
(52) Must the new enhanced code run on the vendor's hardware?						
YES	1022	1023	1024	1025	1026	1027
NO	1028	1029	1030	1031	1032	1033
DON'T KNOW	1034	1035	1036	1037	1038	1039

	ALL PROD.	OPER. SYST.	APPL. SYST.	APPL. SUPP.	NO/ PKGE.	NONE.
REDISTRIBUTION						
(SOFTWARE VENDORS ONLY)						
(53) Are you allowed to enhance the software to run on another vendor's hardware?						
YES	1040	1041	1042	1043	1044	1045
NO	1046	1047	1048	1049	1050	1051
DON'T KNOW	1052	1053	1054	1055	1056	1057
(SOFTWARE VENDORS ONLY)						
(54) With whom does the end user have the software license?						
YOU	1058	1059	1060	1061	1062	1063
HARDWARE VENDOR	1064	1065	1066	1067	1068	1069
INSTALLATION						
(55) In what form is installation service available?						
FREE, PART OF LICENSE	1070	1071	1072	1073	1074	1075
SEPARATELY CHARGED	1076	1077	1078	1079	1080	1081
NOT AVAILABLE GO TO Q58	1082	1083	1084	1085	1086	1087
(56) How many days of free installation support do you provide?						
DAYS ENTER NUMBER	1088	1089	1090	1091	1092	1093

INSTALLATION	ALL PROD.	OPER. SYST. SUPP.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(57) Please explain any variations by product.						
(58) Is there an acceptance or test period?						
YES	1094	1095	1096	1097	1098	1099
GO TO Q60 NO	1100	1101	1102	1103	1104	1105
GO TO Q60 DON'T KNOW	1106	1107	1108	1109	1110	1111
(59) How long is the acceptance period in days?						
DAYS ENTER NUMBER	1112 ___	1113 ___	1114 ___	1115 ___	1116 ___	1117 ___
(60) If you warrant the product do require that you install the software?						
YES	1118	1119	1120	1121	1122	1123
NO	1124	1125	1126	1127	1128	1129
DON'T KNOW	1130	1131	1132	1133	1134	1135

		ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(61) As a rule do you make modifications to your product to meet unique user needs?							
	YES	1136	1137	1138	1139	1140	1141
GO TO Q64	NO	1142	1143	1144	1145	1146	1147
GO TO Q64	DON'T KNOW	1148	1149	1150	1151	1152	1153

	ALL PROD.	OPER. SYST.	APPL. SYST.	APPL. SUPP.	NO/ PKGE.	NONE.
INSTALLATION						
(62) Do you maintain these user unique modifications to your product?						
YES	1154	1155	1156	1157	1158	1159
NO	1160	1161	1162	1163	1164	1165
DON'T KNOW	1166	1167	1168	1169	1170	1171
(63) Are these modifications charged for with an extra fee?						
YES	1172	1173	1174	1175	1176	1177
NO	1178	1179	1180	1181	1182	1183
DON'T KNOW	1184	1185	1186	1187	1188	1189
MAINTENANCE						
WE NOW WANT TO DISCUSS HOW SOFTWARE MAINTENANCE IS CHARGED FOR EACH METHOD OF LICENSE PAYMENT						
(64a) First of all, what is included in software maintenance?						
-LOCAL ASSISTANCE						
-PHONE ASSISTANCE (HOT-LINE)						
-MAKING AVAILABLE FIXES TO KNOWN PROBLEMS						
-INSTALLATION OF FIXES						
-FUNCTIONAL ENHANCEMENTS						
-OTHER						

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(64b) Maintenance charge for LEASE agreement?						
IN LICENSE FEE	1190	1191	1192	1193	1194	1195
IN LICENSE FEE 1st 12 MONTHS	1196	1197	1198	1199	1200	1201
SEPARATELY CHARGED FOR	1202	1203	1204	1205	1206	1207
and is the maintenance contract						
REQUIRED	1208	1209	1210	1211	1212	1213
OPTIONAL	1214	1215	1216	1217	1218	1219

MAINTENANCE	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(65) Maintenance for CONTINUOUS PAYMENT?						
IN LICENSE FEE	1220	1221	1222	1223	1224	1225
IN LICENSE FEE 1st 12 MONTHS	1226	1227	1228	1229	1230	1231
SEPARATELY CHARGED FOR and is the maintenance contract	1232	1233	1234	1235	1236	1237
REQUIRED	1238	1239	1240	1241	1242	1243
OPTIONAL	1244	1245	1246	1247	1248	1249
(66) Maintenance for USAGE PRICING?						
IN LICENSE FEE	1250	1251	1252	1253	1254	1255
IN LICENSE FEE 1st 12 MONTHS	1256	1257	1258	1259	1260	1261
SEPARATELY CHARGED FOR and is the maintenance contract						
REQUIRED	1262	1263	1264	1265	1266	1267
OPTIONAL	1268	1269	1270	1271	1272	1273
(67) Maintenance for PAID UP license?						
IN LICENSE FEE	1274	1275	1276	1277	1278	1779
IN LICENSE FEE 1st 12 MONTHS	1280	1281	1282	1283	1284	1285
SEPARATELY CHARGED FOR and is the maintenance contract	1286	1287	1288	1289	1290	1291
REQUIRED	1292	1293	1294	1295	1296	1297
OPTIONAL	1298	1299	1300	1301	1302	1303

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(68) Maintenance for One Time Charge/Purchase?						
IN LICENSE FEE	1304	1305	1306	1307	1308	1309
IN LICENSE FEE 1st 12 MONTHS	1310	1311	1312	1313	1314	1315
SEPARATELY CHARGED FOR	1316	1317	1318	1319	1320	1321
and is the maintenance contract REQUIRED	1322	1323	1324	1325	1326	1327
OPTIONAL	1328	1329	1330	1331	1332	1333

MAINTENANCE	ALL PROD.	OPER. SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(69) Maintenance for OTHER?					
IN LICENSE FEE	1334	1335	1336	1337	1338	1339
IN LICENSE FEE 1st 12 MONTHS	1340	1341	1342	1343	1344	1345
SEPARATELY CHARGED FOR	1346	1347	1348	1349	1350	1351
and is the maintenance contract						
REQUIRED	1352	1353	1354	1355	1356	1357
OPTIONAL	1358	1359	1360	1361	1362	1363
(70) When a customer has aquired software by a payment method such as ONE TIME CHARGE or PAID UP license which does not include maintenance beyond the first year, and you offer a separate maintenance agreement, what is the cost of a 12 month maintenance agreement?						
COST	1364	1365	1366	1367	1368	1369
ENTER $ AMOUNT	____	____	____	____	____	____
(71) For such a customer, what does maintenance include?						
FIXES TO KNOW PROBLEMS	1370	1371	1372	1373	1374	1375
FUNCTIONAL ENHANCEMENTS	1376	1377	1378	1379	1380	1381
OTHER	1382	1383	1384	1385	1386	1387

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(72) What differentiates an enhancement included in the maintenance for a ONE TIME CHARGE/PAID UP customer from a new product or version which has a new price? For example SIZE, LINES OF CODE etc.						
(73) Is there a minimum term for maintenance ?						
YES	1387	1388	1389	1390	1391	1392
NO	1393	1394	1395	1396	1397	1398
DON'T KNOW	1399	1400	1401	1402	1403	1404
(74) If applicable, is a hardware maintenance contract a prerequisite for a software maintenance contract ?						
YES	1405	1406	1407	1408	1409	1410
NO	1411	1412	1413	1414	1415	1416
DON'T KNOW	1417	1418	1419	1420	1421	1422
(75) How long may a user be covered by a maintenance contract after a new release or version is available if he does not upgrade ?						
NOT COVERED	1423	1424	1425	1426	1427	1428
12 MONTHS	1429	1430	1431	1432	1433	1434
24 MONTHS	1435	1436	1437	1438	1439	1440
OTHER	1441	1442	1443	1444	1445	1446

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
MAINTENANCE						
(76) If an on-site maintenance contract is offered, what are contractual response times ?						
NOT OFFERED	1447	1448	1449	1450	1451	1452
HOURS	1453	1454	1455	1456	1457	1458
ENTER NUMBER	____	____	____	____	____	____
DAYS	1459	1460	1461	1462	1463	1464
ENTER NUMBER	____	____	____	____	____	____
(77) When a user sends in a trouble report, in what form does he get a fix returned ? (NOT EXCLUSIVE)						
ON SITE AID	1465	1466	1467	1468	1469	1470
TELEPHONE	1471	1472	1473	1474	1475	1476
LETTER	1477	1478	1479	1480	1481	1482
NEWSLETTER	1483	1484	1485	1486	1487	1488
NEXT REGULAR MTNCE RELEASE	1489	1490	1491	1492	1493	1494
OTHER	1495	1496	1497	1498	1499	1500
(78) Do all users get the problem fix ?						
YES	1501	1502	1503	1504	1505	1506
NO	1507	1508	1509	1510	1511	1512
DON'T KNOW	1513	1514	1515	1516	1517	1518

MAINTENANCE	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKCE.	NO/ NONE.
(79) Who applies the fix ?						
VENDOR	1519	1520	1521	1522	1523	1524
CUSTOMER	1525	1526	1527	1528	1529	1530
(80) What is the average trouble report turn-a-round time from the user's point of vew in days ?						
DAYS ENTER NUMBER	1531	1532	1533	1534	1535	1536
(81) If a user has multiple licenses for the same software product, which of the following apply ? (NOT EXCLUSIVE)						
MAINTENANCE PRICE DISCOUNT	1537	1538	1539	1540	1541	1542
CENTRAL MAINTENANCE PLAN where the users present an interface to your firm that resembles a single license.	1543	1544	1545	1546	1547	1548
NOT APPLICABLE	1549	1550	1551	1552	1553	1554

	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
MAINTENANCE						
(82A) If on-site assistance/maintenance is offered what is the price of this service in dollars per hour ? NOT OFFERED / PRICE / ENTER $ PER HOUR	1555 / 1561	1556 / 1562	1557 / 1563	1558 / 1564	1559 / 1565	1560 / 1566
(82B) If on-site assistance is offered and separately priced, is it:						
FIXED PRICE BY PRODUCT ?	1567	1568	1569	1570	1571	1572
FIXED PRICE BY GROUP OF PRODUCTS ?	1573	1574	1575	1576	1577	1578
FIXED PRICE BY HOUR ?	1579	1580	1581	1582	1583	1584
PRICED BY THE PROBLEM ?	1585	1586	1587	1588	1589	1590
OTHER ?	1591	1592	1593	1594	1595	1596
(82C) If telephone assistance is offered and seperately priced, is it:						
FIXED PRICE BY PRODUCT ?	1597	1598	1599	1600	1601	1602
FIXED PRICE BY GROUP OF PRODUCTS ?	1603	1604	1605	1606	1607	1608
PRICED BY THE HOUR ?	1609	1610	1611	1612	1613	1614
PRICED BY THE PROBLEM ?	1615	1616	1617	1618	1619	1620
OTHER ?	1621	1622	1623	1624	1625	1626

	ALL PROD.	OPER. SYST.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
MAINTENANCE					
(83) Do your sales people sell both hardware and software? (Hardware vendors only)					
YES (GO TO 84)					
NO (GO TO 85)					
DON'T KNOW (GO TO 85)					
(84) Please explain what software products are sold.					
_____					
_____					
_____					
_____					

	ALL PROD.	OPER. SYST.	APPL. SYST.	APPL. SUPP.	NO/ PKGE.	NONE.
TRENDS						
(85) What percent change do you believe you will see in prices for your software products?						
PERCENT CHANGE (+ or -) BALANCE OF 1984 _____%						
1985 _____%						
1986 _____%						
(86A) Based on how closely the following pricing objectives match your objectives when pricing your software, please rate the following on a scale of 1 to 5 where 5 is an excellent match and 1 is irrelevant.						
A. Target profit return _____						
B. Attain satisfactory profit _____						
C. Maximize profits _____						
D. Maintain market share _____						
E. Increase market share _____						
F. Increase revenues _____						
G. Meet competition price _____						
H. Value price _____						
(86B) Which is most important ? _____						

TRENDS	ALL PROD.	OPER. SYST.	SYST. SUPP.	APPL. SUPP.	APPL. PKGE.	NO/ NONE.
(87A) There are a number of cost factors that contribute to the price of products and services. Please rate the following in terms of their importance to your software pricing policies (1 = low, 5 = high_						
A. Sales/marketing cost _____						
B. Customer support cost _____						
C. Research & Development cost _____						
D. Administrative overhead cost _____						
E. Hardware cost _____						
F. Training and education _____						
G. Profit allocation _____						
H. Other (describe) _____						
(87B) Which is the most important ? Why ? _____						

	ALL PROD.	OPER. SYST.	APPL. SYST.	APPL. SUPP.	NO/ PKGE.	NONE.
TRENDS						
(88) In summary, what future changes in software terms and conditions do you anticipate in the following areas, and why ?						
Licensing						
_____						
_____						
_____						
_____						
Maintenance						
_____						
_____						
_____						
_____						
(89) How would you estimate the future usage of the following licensing methods:						
Decreased Use / Same / Increased						
Lease						
Rental						
Paid Up						
One Time Charge						
Usage						

GENERAL

THANK YOU FOR YOUR COOPERATION
IN ANSWERING OUR QUESTIONS

VENDOR IDENTIFICATION

_____
_____
_____
_____

SOFTWARE TERMS AND CONDITIONS

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I INTRODUCTION

I INTRODUCTION

A. SCOPE OF THE STUDY

This study has been performed by INPUT as a means of updating the information that was presented to IBM by INPUT in a report entitled "Software Terms and Conditions", dated May, 1982. It was INPUT's intent to interview, to the extent possible, people filling the same positions in the same companies that were interviewed in 1982. Of the 25 companies that were included in the 1982 study, 24 are also included in this study. D.M.S.I. was substituted for U.C.C. as U.C.C. management, subsequent to the completion of the interview, refused permission for inclusion of the data. Also, Control Data Corporation was added, at IBM's request.

The same issues that were explored in the previous study were similiarly explored in this study. After certain modifications suggested by IBM personnel, the same IBM-designed questionnaire was again used as a means of gathering the pertinent data for this study.

B. METHODOLOGY

The questionnaire used in this study was first modified based on changes requested by IBM personnel. A list of contact names, derived from the files associated with the previous study was developed. This list was updated as necessary, to reflect the names of the individuals currently filling the appropriate positions.

Telephone calls were made to the names on the contact list and the questionnaires were again completed. In each case, an entirely new questionnaire was completed. The results were tabulated in the same way as was done previously.